

# *The* NATIONAL UNDERWRITER



*A Comprehensive Reinsurance Service*

*Casualty and Bonding Lines*

GENERAL  
REINSURANCE  
CORPORATION

*Fire and Allied Lines*

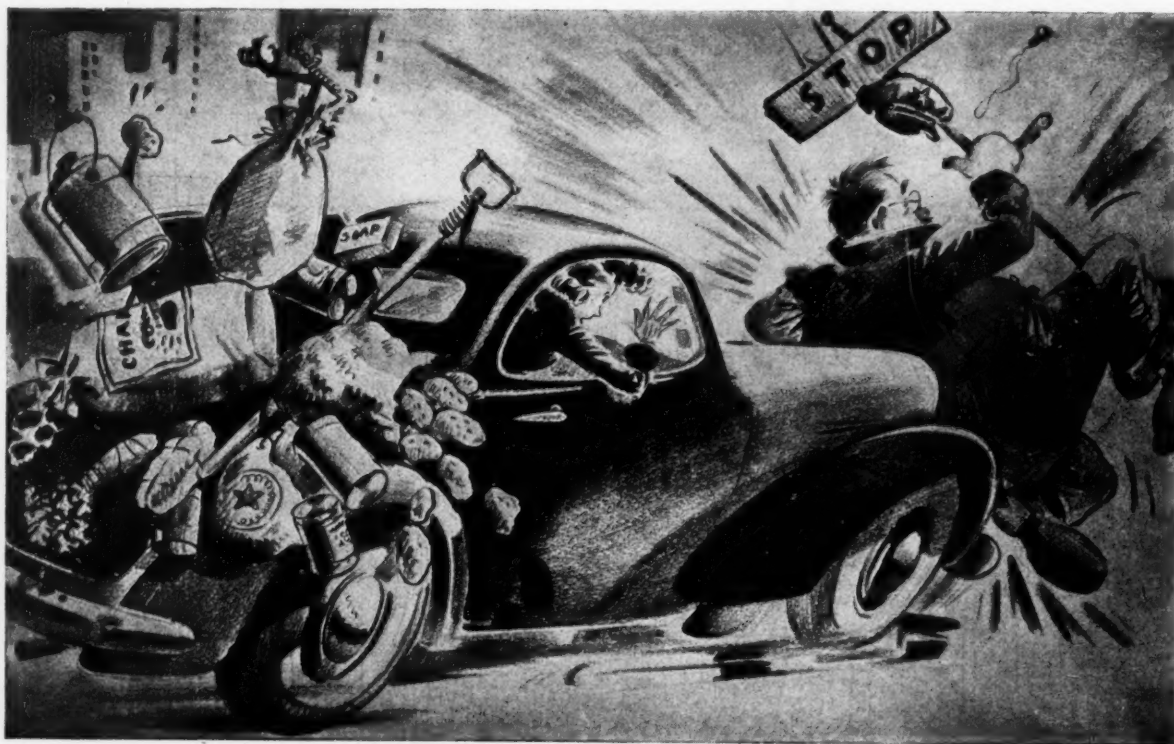
NORTH STAR  
REINSURANCE  
CORPORATION

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90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

THURSDAY, MARCH 25, 1943



## A Person Doesn't Have to Drive Far to Get Into Trouble

MANY a client may be wondering whether or not to renew his Automobile Liability insurance now that he's driving less than he used to do.

But, he shouldn't forget, he's just as likely to run into someone on his way to the grocery store as he is on a pleasure drive. And the victim would ask as much for his injuries and cause as much worry and trouble as if the accident had occurred in the days of unlimited driving.

A person doesn't have to drive a long way to

get into trouble. Travelers policyholders have incurred costly claims in the hundred feet or less between their garages and the roads. More accidents occur within a radius of five miles of our policyholders' homes than beyond that range.

The cost of Automobile Liability insurance has been reduced. Don't let your clients take the risk of dropping their insurance unless they are canceling their registrations and putting up their cars.

**THE TRAVELERS INSURANCE COMPANIES**  
HARTFORD, CONNECTICUT

## Public Relations Setup Intended to "Insure Business"

**President North of N.A.I.A.  
in St. Louis Talk Denies  
Lobby System Planned**

ST. LOUIS—About 200 local agents and brokers heard David A. North, president National Association of Insurance Agents, speak on behalf of that organization and the work it is endeavoring to do for agents at a luncheon under the auspices of the Insurance Board of St. Louis.

"The National Association of Insurance Agents is embarking upon what we believe to be the most significant undertaking of its history," President North said. "We are going to raise a substantial sum to start us on a public relations program which we believe is of very great importance not only to our members and to all other insurance producers but also to the entire insurance industry."

He then went into some details concerning the proposed public relations program.

"I think that if we do all of these things you will understand what we mean when we say the public relations program of the National association is in the interest of the entire insurance industry," he added.

### Have Failed to Tell Story

"Frankly, what we intend is to insure our business. All of us have already seen many examples of the effect of public misunderstanding and public distrust on a variety of industries. We all know that the insurance agents of America and the entire insurance industry in this country have the respect and confidence of a great many people but we are also realistic enough to know that many groups do not understand, because for one thing we have failed to tell our story to them.

"We have great faith in the job which we are doing as agents and we are going to seek the spotlight because we are not afraid to do so.

"I should add that we are not by any means thinking of this undertaking as a defensive measure. On the contrary, we believe that one result of it may be to increase the business-getting abilities of insurance producers by helping them to appear in a new light to a great many people.

"In our statement of objectives this paragraph occurs:

"We believe that in a democracy sovereignty rests with the people of the land and that it is a primary responsibility for all of us, whatever our field or function, to deserve and win the respect, confidence and understanding of the American people. Public understanding, respect and confidence is the best insurance any man's business can have."

President North said he was somewhat shocked after the recent meeting in Tulsa to learn that some persons had interpreted the proposed public relations program to mean that the association contemplated a system of lobbyists to function in Washington and various state capitals.

"Nothing could be farther from the

## U. S. Chamber Plan for Annual Muster

**Insurance Section Will  
Have Its Meeting April  
28 with Madden Presiding**

The annual meeting of the United States Chamber of Commerce will be held this year at the Waldorf-Astoria in New York, April 26-29. The insurance section meeting will include a luncheon session to be held April 28. The fire waste and health awards for the winning cities in the inter-chamber fire waste contest and the national health honor roll contest will be given that afternoon.

This year the term of John M. Thomas, president National Union Fire of Pittsburgh, expires as insurance director and he has been renominated. There have been no other nominations for his place. C. O. Fischer, vice-president Massachusetts Mutual Life, was renominated, representing the New England district. Carl N. Jacobs, president Hardware Mutual at Stevens Point, Wis., is the other insurance man representing a section but his term does not expire this year.

James L. Madden, former manager of the insurance department U. S. Chamber and now one of the vice-presidents of Metropolitan Life, who is chairman of the insurance section, will preside over its deliberations.

This year's program of the U. S. Chamber will be based largely on war problems, both immediate and future.

Insurance speakers will include W. E. Mallalieu, general manager of the National Board, and John L. Wilds, president of Protection Mutual of Chicago.

## DPC May Cancel Cover on Plants Not Yet Completed

Although no definite action has yet been taken by Defense Plant Corporation in the way of altering its insurance setup, some observers believe that DPC leaders favor retaining insurance protection on plants already in operation but canceling insurance on plants that have been started but have not yet been completed, such as the synthetic rubber plants. The DPC insurance is carried by the Factory Association, Western Sprinkled Risk Association and factory mutuals. The synthetic rubber plants are being insured by the Oil Association. A committee representing these various interests had a conference in Washington recently with DPC officials.

truth," he said. "We maintain a Washington office and intend to spend more money on it than we have in the past, but that is simply because we, like every other industry, have more elaborate and complex problems in Washington than we had even a few years ago. We need a larger staff to keep us in touch with those developments out of the vast number of legislative and administrative developments which have some bearing on our business and the business of insurance producers. We feel an obligation to ourselves and to the industry to present our views to administrative and legislative officers of our government on any question on which they are entitled to a professional opinion."

## J. R. Berry Named National Board General Counsel

NEW YORK—James R. Berry has been appointed general counsel of the National Board to succeed the late J. H. Doyle.

Mr. Berry has been on the legal staff of the National Board since Jan. 1, 1942. Prior to that time he had practiced law in New Jersey since 1926, specializing in insurance cases. He is a member of the New York and New Jersey bars, and is admitted to practice before the U. S. Supreme Court, member of the American Bar Association.

Mr. Berry, a native of Newark, graduated in 1922 from Princeton University and in 1925 from Columbia University Law School.

Mr. Berry then became associated with the law firm of Lum, Tamblin & Colyer, now known as Lum, Fairlie and Wachenfeld, of Newark, where he previously had served his clerkship. He was admitted as a junior partner in 1934 and became a full member in 1940.

He is an associate government appeal agent for a local draft board in New York.



J. R. Berry

## Johnson Sponsors Bill to Clear Up Minn. Fire-Casualty Situation

ST. PAUL—Commissioner Johnson is sponsoring a bill designed to correct the situation growing out of a recent opinion of the Minnesota attorney-general that fire companies chartered to write casualty insurance may not operate in Minnesota even though they do not write casualty lines. The bill provides that such companies may do business in Minnesota if they conform to Minnesota laws governing domestic companies and if their operations in other states are not prejudicial to the interests of the people of Minnesota.

The bill, it is understood, has the backing of Minnesota companies, as it contains no retaliatory provisions that would affect the operations of Minnesota companies in other states.

## Rodney Barrus Named as New Wyo. Commissioner

Rodney Barrus has now assumed office as insurance commissioner of Wyoming, replacing Alex MacDonald.

Mr. Barrus was born at Grantsville, Utah, Sept. 30, 1899. He attended the grade schools at Fairview, Wyo., and the high school at Afton, Wyo. He attended college at Salt Lake City and Logan, Utah. From 1920 to 1935 he operated his ranch in Star Valley adjacent to Yellowstone National Park. He was also principal of schools in one of the districts and also engaged in the life insurance business.

From Jan. 1, 1935, to Jan. 4, 1943, he was deputy secretary of state of Wyoming and also served as securities commissioner in the state for the last eight years. He is a personal friend of Gov. Lester C. Hunt.

## Graves Confirmed in Ark.

Appointment of J. Herbert Graves as insurance commissioner of Arkansas for another term was confirmed.

## U. & O. Rates Doubled Unless Aggravation of Loss Erased

**Dramatic Action Taken  
by S.E.U.A., Pacific Board,  
N. J. Middle Department**

An endorsement restricting use and occupancy coverage on new and renewal policies to the time that it would normally take to put a damaged property back in service is being promulgated as rapidly as possible in all rate making jurisdictions and was put into effect in Pacific Coast, S. E. U. A., New Jersey and Middle Department territories March 23. However, for double the usual premium the insured may be covered for the full period of liability even though reconstruction is delayed beyond normal by wartime restrictions, prohibitions or priorities. The clause applies to all business interruption, extra expense, rent and additional living expense coverage.

The endorsement applies to any increase in the coverage under present policies unless it is waived by doubling the premium.

The following clause must be attached to all fire insurance policies and extended cover endorsements covering business interruption (use and occupancy), extra expense, rent, and additional living expense, or the rates otherwise applicable are increased 100%:

"In consideration of the rate and premium at which this policy is written it is a condition of this insurance that this company shall not be liable for any loss resulting from additional time required to rebuild, replace, or repair any property herein described as a consequence of any law, governmental order, provision, or directive, regulating, prohibiting or restricting, directly or indirectly, construction, the acquisition of machinery, equipment, material, labor, or other means required for the replacement or repair of any property damaged or destroyed."

The associations explain the action is made necessary because of the far reaching effect of the War Production Board conservation orders upon insurance where the time element is a factor in the loss.

The Pacific Board March 11 put into effect a 50% U. & O. rate increase but with no reference to a restriction clause. That caused much speculation, as it was realized the Pacific Coast leaders would not have made such an important decision if it were not in harmony with a national program. The U. & O. rates on the coast are on a par with those in other sections of the country, so that the increase could not be interpreted as a local adjustment to conform with prevailing conditions elsewhere. Also, it is not believed that the U. & O. losses have been conspicuously heavier on the coast than elsewhere, although in February fire destroyed all but the fireproof buildings of a subsidiary of the Carnation Milk Company at Oakland and it is understood that the U. & O. line there is \$1,500,000 or \$2,000,000.

Whether to increase U. & O. rates has been one of the capital fire insurance questions ever since shortages began to develop in building materials and assured, seeing the bargain to be had in U. & O., rents and rental value, etc., became almost as eager to buy such

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## Companies Watch Hemp Mill Lines

**Operations Are Hazardous and Plants Located in Unprotected Areas**

Hemp mills that are springing up in various parts of the country to manufacture rope and other products to take the place of manila fiber, the supply of which has been largely cut off, constitute a current underwriting problem. These are regarded as very hazardous risks because of the flammability and damageability of the hemp and also because many of the plants are located in unprotected territory. Values of several hundred thousand dollars are involved at single locations but the companies desire to limit their acceptances to nominal lines and this compels agents and companies to do much shopping.

### Government Encourages Production

Several of these mills are located in Wisconsin, others in Minnesota and Kentucky. The government through the Commodity Credit Corporation is encouraging the growth of hemp this year, and through War Hemp Industries, Inc., is planning to build 39 mills. CCC is offering \$50 a ton for class 1 hemp straw, \$40 for class 2, \$35 for class 3, and \$30 for class 4.

Preparation of the hemp for subsequent manufacture is a special kind of operation that requires a particular kind of building. Even where the mill is properly set up and of incombustible construction it is subject to heavy loss, and consequently even where conditions are the most favorable the inspection companies recommend the taking of single lines.

An inspection report on a hemp mill constructed a year or so ago and designed specifically for this type of occupancy illustrated some of the features that should be present before a company commits itself.

The plant is handling the product of about 1900 acres, is operating two ten hour shifts, employing about 50 hands and producing about 400 pounds of hemp fiber an hour. The stalk is baled and stored elsewhere. There is a large nearby hemp yard.

The hemp is dried under good arrangements and the mechanical process of breaking is confined to generally incombustible buildings. Considerable dust is generated, but this feature is well taken care of by a good blower system and good housekeeping.

### Details of Structure, Arrangement

The factory is an all steel structure with metal equipment, but there is apt to be a heavy stock of hemp fiber on hand and a fire at such a time could be severe enough to badly damage the building and spread through the drying tunnel to the receiving shed. The oiler house is adjacent to the factory, but is an all steel building and is detached. The storage yard is large and when heavily stocked would make a severe fire that could hardly be handled by the local fire department. There is a good clear space maintained between the yard and the plant building and ordinarily the building would not be involved with the yard. The hemp stalks are stored in the nearby yard. They are trucked to a receiving shed where they are fed to a conveyor which extends through a low temperature, practically incombustible drying tunnel to the factory where it is fed by hand to a large breaker, a series of metal rolls for crushing or loosening the huds. Then it goes to two scutchers for combing off huds. Stranded hemp stalk is bailed, loose hemp (tow) drops to the floor and is fed by hand to a tow breaker, a shaker type screen for removing excess loose huds and then bailed.

Steam is used for heat, the dryer and

(CONTINUED ON PAGE 39)

## Warner Decision Marks Epoch in Reciprocal Field

By JOHN F. WOHLGEMUTH

In a way the decision of the United States Supreme Court in the Cannery Inter-Insurance Exchange case marks an epoch in the history of reciprocal insurance. At the height of the reciprocal movement the prime claim of the organizations was that their operations were private contracts, not subject to interference by the states. Fairly early in the development it had to be acknowledged that their contracts are subject to regulation in the states where they take place, but the Cannery fought out to the bitter end the contention that they were not subject to regulation anywhere else. The Supreme Court decision apparently establishes the subjection of business to government.

Reciprocal insurance had a simple origin, but a lurid history. Sixty years ago fire insurance companies were numerous, but small. The art of fire prevention or fire protection was little understood. The merchants were accumulating in various fire traps values far beyond the carrying capacity of known insurance companies. In 1881 Marshall Field, John Wanamaker, A. T. Stewart, and other merchants of that type, to the number of 100, formed an organization and agreed to insure each other for \$10,000 each. This gave a "line" of \$1,000,000. The object was not to escape taxes, or supervision, or even particularly to save premiums. It was merely to obtain protection against the nightmare of huge values not covered by insurance. Nor was there any purpose to form an insurance company for profit.

### Member Put Up Deposit

Instead of paying a premium, which would become the property of the organization, each member put up a deposit to cover the reasonable expectation of losses, and each member agreed to make good his deposit as often as it was drawn upon to pay losses. A clerk was hired to conduct operations and each member gave him a power of attorney to sign policies issued to the other members, so that each document would not have to go through 100 different signers. The clerk thus became known as the attorney-in-fact. There was no claim that he owned the business, although he kept the books, made the collections and paid the losses. This was the form and purpose of the Individual Underwriters, still operating successfully on pretty much the original plan.

There was no notable imitation of this plan until workmen's compensation came along, 30 years ago. Those who go back that far in the casualty insurance business recall the bitter fight which employers made against any commission to insurance agents on the workmen's compensation insurance which the employers were compelled to buy. Some of the employers, particularly those with hazardous risks and high rates, took note of the operations of Individual Underwriters and other reciprocals, and began to form workmen's compensation reciprocals. Promoters saw the oppor-

tunity and set up as attorneys-in-fact for as many employers as they could get to join them. The promoters introduced a new feature, namely, a commission to the attorney-in-fact, regardless of the results to the policy holders. Some of the promoters knew more and cared more about their commissions than they did about underwriting, and collapses were numerous.

### Auto Line Ushers in Wild Times

The wild times really began, however, when automobile insurance began to be a big factor in premium income. The workmen's compensation reciprocals had made the plan fairly well known and innumerable automobile reciprocals were started, often by men who knew nothing about either law or insurance. Policies and powers of attorneys were made up by clipping clauses or paragraphs from those used by other reciprocals, and wherever the promoter thought a clause might be inconvenient to himself he left it out. Some weird specimens of contracts were put out and sold as insurance contracts. Naturally the failures were numerous and the public began to demand protection.

Most of the states assumed, what the reciprocals claimed, that the policies were being issued as private contracts between individuals, and that they were not subject to regulation. However, the reciprocals were not licensed either, and when the failures became numerous and serious this was found to be a competitive handicap. Therefore the first regulatory laws were pretty much secured by the reciprocal promoters themselves, designed to give them a state license, with a minimum of regulation. As the failures continued the state laws were continually patched up, often with the assistance of the more respectable reciprocals, which were harmed by the evil reputation of the wild operators. However, to this day there is hardly a state in which regulation of the reciprocal plan is as strict as that of the stock or even the mutual plan of insurance. Even in New York, which has never been favorable to the reciprocals, the final steps were not taken until the new code was adopted a few years ago.

### Lansing Warner's Position

Inasmuch as the Warner's case has been used as a text, it should be made very clear that the Warner's Interinsurance Bureau has at all times enjoyed the highest reputation for integrity and good management. However, Lansing B. Warner, the founder, made the principle of private contract a fetish. In the hearings on the reciprocal section of the Illinois insurance code a few years ago his appeal for the true blue reciprocal were passionate, and his contempt for the mongrel imitators was unmeasured.

It is not a wild speculation to suppose that if the question just decided in the United States Supreme Court had come before that body a generation ago the results might very well have been different. In other words, the sentiment

## Needn't Give Up Tabulating Machines

**Companies Relieved at Shelving of Government's Two-Shift Proposal**

NEW YORK — Insurance companies will not be asked to give up any of their punch-card tabulating equipment, it now appears, though it was expected that when the companies had got their annual statement work out of the way they would be under considerable pressure to give up any machinery that could be spared by going to a two-shift basis.

Last fall the manufacturers of these machines were deputized by the war production board to round up machines that users could spare and would voluntarily give up. Indications were that it might be necessary for the government to requisition machines for its use and for essential war industries but enough extra machines were picked up and manufacture of some machinery was allowed to proceed, the net result being that the threatened shortage has been averted.

### Troubles With Two Shifts

Giving up all machines not necessary to a two-shift basis would introduce serious complications for the companies. Two shifts would leave little margin for the peak loads that come around the year end. The most troublesome problem, however, is lack of trained supervisors. These are extremely scarce now, as most of them are fairly young men. The companies have hardly enough supervisors to handle one shift and there is no practical way of setting the work up so that it can be done with appreciably less supervision.

Naturally there is no guarantee that the companies will be free to keep all the machines they have but there seems to be nothing ahead to indicate that the war effort will require the giving up of any equipment.

## Factory Association Men Receive Promotion

W. J. Fennell was named by the Factory Insurance Association, of Hartford, to be field manager in charge of its Philadelphia office, and C. T. Hildreth was named field manager in charge of the Virginia territory. It is Mr. Fennell's 25th anniversary with the F. I. A. He went with the association direct from the Hartford high school, his first work being in the mail room, then successively in the drafting room, as a road surveyor, inspector, engineer and special agent. He has been handling the work in the Philadelphia office for the past 2½ years.

Mr. Hildreth went with the F.I.A. in 1920 as an inspector, and rose to engineer and then to special agent. He is located in Danville, Va., and has been handling the business in that state for several years.

of the law, or of the courts, now leans toward regulation of all business. The right of private contract has been restricted considerably and the personnel of the court has been completely changed.

### Nevada Passes Arson Law

The model arson law of the National Board has been adopted by the Nevada legislature and signed by the governor.

Thomas R. Wood, 69, died with a stroke March 12, at his home on the Bay Shore Road in Danbury, O. He was a native of Chicago, but operated an insurance agency at Danbury for 30 years and for the past 17 years had been a solicitor for the Wolf Insurance Agency of Fremont, O. Funeral services were held in Port Clinton March 15.

## THIS WEEK IN INSURANCE

Rates for U. & O. rent and rental value and other "time element" contracts on the Pacific Coast are increased 50% and in eastern jurisdictions 100%. **Page 1**

David A. North, president of National Association of Insurance Agents, explains proposed public relations program in St. Louis talk. **Page 1**

James R. Berry is appointed general counsel of the National Board, succeeding the late J. H. Doyle. **Page 1**

Fire underwriters are watching closely their commitments on hemp mills. **Page 2**

Companies not to be asked to give up part of their tabulating equipment. **Page 2**

Rodney Barrus is appointed new Insurance commissioner of Wyoming. **Page 1**  
Decision of U. S. Supreme Court in the Warner's reciprocal case marks an epoch in the history of reciprocal insurance. **Page 2**

George W. Arnett is elected president and F. Glenn Breen, vice-president and manager of Standard Fire of Trenton. **Page 10**

New York State Fund suspends six accused in graft investigation. **Page 17**

The New York department is taking action to cause Hartford Steam Boiler and the National Bureau companies to agree upon a uniform broad form boiler-machinery coverage. **Page 17**

Payroll auditing work undergoing many changes because of war. **Page 18**



# 1942 UNDERWRITING & INVESTMENT EXHIBIT

From 1943 Argus Fire Chart

Earned Prem's	Losses Incurred Incl. Adj. Expenses	Underwriting Expenses Incurred	Ratio to Earned Prem's Loss/Exp. Inc.	Company	Gain from Underwrtg. & Profit & Loss Items	Gain from Investments	Net Increase in Surplus	Earned Prem's	Losses Incurred Incl. Adj. Expenses	Underwriting Expenses Incurred	Ratio to Earned Prem's Loss/Exp. Inc.	Company	Gain from Underwrtg. & Profit & Loss Items	Gain from Investments	Net Increase in Surplus
30,311,719	17,728,005	12,712,935	58.5	Aetna	-177,836	798,520	890	600,507	313,240	298,000	52.2	Franklin Natl.	-11,011	50,613	30,601
8,835,537	5,443,579	3,527,746	61.6	Agricultural	-158,954	314,731	-267,664	1,001,998	399,928	398,000	39.8	Freeport Motor Cas.	125,887	47,304	57,750
1,759,912	912,364	850,997	51.8	Albany	12,470	15,010	48,532	7,142	2,969	18,939	41.6	French Union & Uni.	-14,766	17,514	2,748
3,164,383	2,815,209	1,759,227	55.0	Allemania	-28,232	138,204	-1,030			5,619		Fulton Fire	-5,842	56,236	60,971
4,181,983	2,665,568	1,526,193	62.7	Alliance Assur.	-243,134	43,827	230,023					General Exchange	4,480,673	764,038	688,902
559,441	86,937	107,280	33.5	Alliance, Pa.	-27,121	201,895	-86,496					General of America	788,045	819,629	1,628,128
1,686,071	654,564	837,558	38.8	Allied Fire	65,375	10,674	17,372					General Security	-66,520	31,309	601,071
2,256,910	1,046,494	1,170,516	51.9	Allstate Fire	195,195	34,623	165,138					General Schuyler	-25,769	9,220	-16,548
3,531,945	2,833,142	785,563	80.2	Amer. Alliance	51,227	122,784	-52,213					Georgia Home	98,535	-32,198	78,701
4,719,478	1,847,538	2,623,563	38.9	Amer. & Foreign	-95,830	120,231	-190,280					Gibraltar F. & M.	53,419	30,272	34,747
2,378,655	1,102,511	1,255,216	54.4	Amer. Auto Fire	277,231	17,710	305,941					Girard F. & M.	-42,143	72,799	-122,073
410,420	206,671	163,778	50.4	Amer. Central	17,669	107,677	-49,143					Glens Falls	-134,133	891,668	100,545
4,704,294	3,255,242	1,809,342	69.2	Amer. Druggists	43,185	34,250	-18,125					Globe & Republic	-60,082	-63,811	-249,814
4,855,973	2,413,307	2,579,846	49.7	Amer. Eagle	-394,519	744,681	-413,368					Globe & Rutgers	-429,229	377,844	-187,459
581,296	282,837	253,775	48.6	Amer. Equitable	-137,592	-31,848	-399,692					Granite State	23,735	99,134	3,305
175,880	108,313	73,868	61.2	Amer. Fire & Cas.	61,987	-22,624	28,442					Great American	-632,056	887,165	-858,896
2,831,880	1,564,201	1,027,266	36.4	Amer. Fire, Tex.	-4,572	67,939	9,639					Gulf	41,336	66,587	7,923
869,848	434,768	422,590	50.6	Amer. General	-293,322	129,762	74,195					Hallifax	-85,882	8,329	-140,647
2,642,293	1,398,442	1,227,035	52.9	Amer. Home	19,475	88,947	77,374					Hamilton Fire	-174,770	71,917	559,167
20,456,335	12,056,185	8,288,935	58.9	Amer. Indemnity	4,400	145,600	150,000					Hartford Fire	1,681,463	2,279,885	
125,612	38,512	60,737	30.7	Amer. J. N.	-42,613	851,461	-60,604					Home F. & M.	71,548	220,464	-214,395
3,335,956	2,069,143	1,334,412	62.0	Amer. Motorists	26,382	1,972						Home, N. Y.	1,918,895	1,938,736	-425,487
15,061	7,638	10,257	50.7	Amer. Natl. Fire	15,301	43,924	21,073					Home of Hawaii	153,532	67,381	140,875
2,894,922	1,460,977	1,270,251	50.4	Amer. Reserve	-64,619	131,958	53,882					Homestead Fire	21,163	39,602	-631
27,669	17,255	17,255	62.4	Amer. Security	208,346	79,674						Houston F. & C.	31,822	27,937	-5,090
392,458	137,935	154,886	45.6	Amer. States	13,526	-4,442	-13,330					Hudson	-113,648	28,379	-85,285
821,968	472,621	335,296	57.3	Amer. Title Ins.	1,999	15,152	-82,859					Illinois Fire	-6,279	13,359	7,389
153,267	62,082	119,992	40.9	Amer. Union	12,782	16,446	-20,771					Illinois Natl. Cas.	81,378	5,109	52,512
10,797	7,723	5,997	71.6	Anchor Ins.	-23,070	7,728	-8,228					Imperial Assur.	39,035	94,853	-5,006
19,631	2,818	25,247	14.4	Associated F. & M.	-2,788	1,061	-8,228					Indemnity Marine	-351,704	14,866	-84,574
4,030,542	2,094,296	1,819,830	51.9	Atlantic City Fire	-3,729	22,592	14,866					Indiana Ins.	59,597	27,478	37,578
18,345,384	9,972,367	7,792,075	54.3	Atlantic Fire, N. C.	10,964	-28,314	-17,350					Industrial	3,324	5,475	3,249
2,361,101	1,267,397	890,409	56.0	Atlas Assurance	122,623	170,373	151,067					Insurance Co. of N. A.	-883,777	2,252,779	-829,506
1,261,611	2,183,211	1,632,765	75.3	Automobile, Conn.	561,614	327,585	814,205					Int. Co. State of Pa.	42,470	72,619	75,138
35,924	15,239	5,018	42.4	Baltimore Amer.	96,001	92,910	139,446					International	-15,513	324,419	252,680
2,765	32	31,906	1.2	Bankers & Shippers	321,873	295,231	211,237					Inter-Ocean Reins.	-13,357	111,220	17,691
705,582	343,765	372,871	52.8	Bankers F. & M.	15,631	27,656	27,655					Interstate, N. J.	102,973	46,561	-90,487
143,622	52,574	82,286	36.6	Bankers Fire, N. C.	7,529	-1,955	1,574					Iowa Fire	4,225	5,230	9,445
20	1	567	5.0	Birmingham Fire, Ala.	-6,637	73,886	131,709					Jersey Ins.	179,056	104,667	111,692
7,220,306	5,035,459	2,882,357	69.7	Birmingham, Pa.	8,310	49,739	280,014					Kansas City F. & M.	43,211	34,565	
626,740	303,490	283,931	45.4	Bit F. & M.	-548	1,060	100,000					Keystone Auto. Club	44,263	8,893	
4,048,559	3,413,420	843,783	84.3	Boston	-681,663	206,848	-1,024,457					Knickerbocker	-60,218	-11,403	-178,854
415,469	192,915	214,310	50.8	British America	39,636	25,951	-34,112					Lafayette Fire	12,763	55,749	32,511
362,004	143,091	196,583	29.5	British & Foreign	210,194	109,134	-177,562					Lafayette & Rock	16,557	41,012	-29,786
2,414,390	1,239,498	1,253,732	49.9	British General	7,036	46,639	7,571					Lincoln Fire	8,186	-25,343	-22,157
505,306	296,497	317,230	58.7	Buckeye Union Fire	20,993	21,866	41,832					Lion Fire	-9,250	2,983	-4,301
3,065,453	2,796,437	1,223,412	62.5	Buffalo	20,638	153,030	4,507					L. & L. G.	-460,969	427,756	-532,471
1,463,297	680,711	764,688	52.5	Caledonian-Amer.	-119,565	63,745	-160,019					London & Lanc.	268,814	166,211	73,539
3,574,621	2,352,182	717,314	60.7	Caledonian	-945,127	-15,660	-725,600					London & Prov.	-30,750	69,129	6,809
6,753,607	3,341,443	3,187,282	49.5	California	1,070	67,067	-53,132					London & Scottish	63,568	39,330	86,780
221,178	108,154	115,529	48.9	Calvert Fire	843,394	19,135	562,439					Louisville F. & M.	-308,283	82,843	-55,325
593,745	436,879	202,182	73.6	Camden Fire	213,741	83,765	158,150					Lumbermens	26,520	116,218	93,234
50,482	15,252	30,368	30.1	Canadian Fire	-3,706	12,829	19,280					Manhattan F. & M.	32,835	74,758	64,466
969,463	553,919	388,496	37.1	Capital Fire, Cal.	-33,054	62,446	30,550					Manufacturers Fire	-134,719	14,054	-77,813
6,982	2,760	39,379	39.3	Capital, N. H.	-15,290	15,554	48,696					Marine	-84,129	170,833	-109,769
98,145	55,794	13,994	30.7	Carolina Natl.	-24,616	1,481	1,002					Maritime	-149,054	668	276,653
503,749	311,361	372,711	61.8	Cavalier	-180,418	16,732	-167,965					Maryland	50,857	69,267	-22,371
1,332,974	679,584	635,014	51.8	Centennial	16,383	87,107	50,669					Mass. F. & M.	32,648	-14,256	-33,687
389,526	182,462	184,039	46.9	Central, Md.	11,263	13,705	-35,032					Mechanics & Traders	-5,827	26,041	20,213
117,693	58,588	57,325	50.0	Central States Fire	22,878	16,815	42,269					Mercantile	98,729	157,655	51,819
4,081,867	3,346,163	1,135,276	82.0	Central Surety Fire	2,350	5,548	-17,103					Merchants & Mfrs.	-47,374	5,613	-147,526
606,533	219,233	303,955	36.2	Century	-405,488	118,947	259,434					Merchants Fire, N. Y.	-137,081	600,941	85,094
1,615,821	931,011	821,164	56.5	Charter Oak	83,280	90,780	134,060					Merchants Fire, Colo.	34,101	73,882	68,248
50,911	22,970	9,654	45.1	Christiania Genl.	-135,944	-13,576	59,139					Merchants Fire, Ind.	193,642	13,058	20,026
654,085	480,301	189,189	73.4	Church Properties	18,216	8,974	169,920					Mercury	3,581	-358,512	-223,066
2,792,641	1,391,888	964,409	58.9	Citizens, N. J.	-15,562	18,830	62,761					Metropolitan F. Reins.	10,179	41,256	1,835
2,792,641	1,391,888	964,409	58.9	City of New York	40,415	24,266	41,682					Michigan F. & M.	21,884	95,138	-32,596
667,618	308,764	313,953	47.0	Colonial Assurance	46,427	65,883	-26,256					Midwestern F. & M.	46,216	418	46,634
830,956	355,947	441,021	43.4	Colonial, Ohio	19,752	55,469	-10,443					Millers National	235,701	94,384	89,242
1,684,160	788,014	837,300	48.9	Columbia, N. Y.	54,603	249,404	-18,092					Millwaukee Mech.	-102,204	200,960	-210,254
3,778,006	2,006,960	1,264,256	60.3	Commerce	61,993	47,896	63,820					Minneapolis F. & M.	12,570	12,570	
11,035,803	7,532,443	3,415,598	68.1	Commercial Standard	20,820	281,220	-185,001					Monarch Fire	25,280	77,086	171,851
925,184	429,377	477,635	46.4	Coml. Union Assur.	121,176	49,777	16,128					Motors Ins. Corp.	20,537	24,961	-9,418
2,117,475	964,049	1,058,801	45.5	Coml. Union, N. Y.	104,382	129,785	-51,922					Motor Vehicle Cas.	50,543	34,335	89,481
2,075,758	1,135,611	978,788	47.7	Commonwealth	-40,147	-8,203	-200,447					Mt. Beacon	66,769	10,119	62,888
7,849,488	4,545,728	3,319,394	57.9	Concordia	-17,191	86,163	-761,894					Natl. American	-32,467	40,412	9,106
1,137,435	560,064	608,832	49.9	Connecticut Fire	31,495	41,055	55,054					Natl. Auto.	609,664	-5,746	279,890
27,212,111	15,804,029	10,528,238													



(CONTD FROM PRECEDING PAGE)

## MUTUAL COMPANIES

Harry Perk, Jr., executive committee-man of the National Association of Insurance Agents, presented facts relative to its public relations program and urged that producers throughout the state be contacted and urged to support the program.



# Prestige

of the Insurance Exchange Building brings you  
extra business at no extra cost

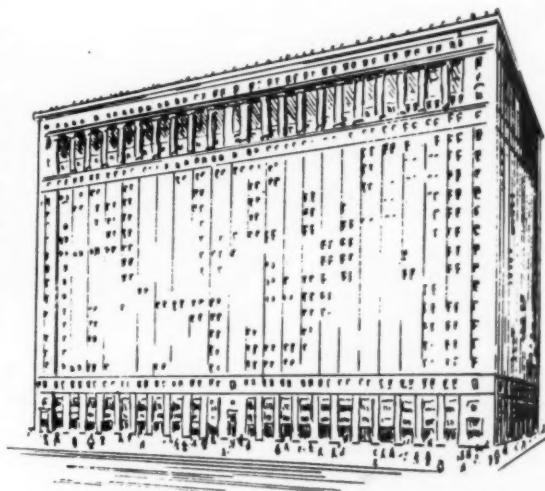
Prestige—a valuable intangible so often taken for granted. Here in the Insurance Exchange Building, the thousands of insurance people—the finest in the country—have brought prestige to this great, modern office building—designed and managed specifically for the insurance business.

When you locate your insurance business in the Insurance Exchange Building, you share in the prestige of this insurance building and its thousands of insurance tenants. Nowhere in the country will you find so vast a centralization of insurance and allied organizations. Here

are written more than 90% of the premiums of fire, casualty and allied insurance lines produced in the Chicago area.

Such close personal contact with other insurance people located under the same roof with you, brings you extra business—extra profits at no extra cost.

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## Insurance Exchange Building

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# Tells Questions Involved in N. J. Policy Revision

A question troubling the committee working on the revision of the New Jersey standard fire policy is whether to incorporate a provision that the company shall give the insured written notice that it desires proof of loss in the policy or make statutory provision separately as in section 172 of the New York insurance law, Edward Gaulkin, chairman, told the New Jersey Field Club. Mr. Gaulkin said his committee welcomed suggestions.

The brand new New York standard fire policy says the insured shall give immediate written notice to the insurer of any loss and within 60 days after the loss render a proof of loss to the company. Section 172 of the New York insurance law says that failure of the insured to furnish proofs of loss shall not be deemed to invalidate or diminish his claim unless the company gives the insured written notice it desires proof of loss and also furnishes a blank form. It is patterned after a similar New Jersey statute.

## Point Not Quite Clear

It is a general principle of statutory construction that previous statutes are repealed by implication when new statutes are enacted, he said. Mr. Gaulkin stated that opinion in New York appeared to be somewhat mixed on this question, but perhaps because of the way the New York statute was set up it would be unaffected, but he was not certain as to the New Jersey statute, if the new policy were adopted, without any change in its provisions.

Section 172 and the New Jersey statute state that there is sufficient compliance with the terms of the policy if immediate written notice of the loss is given by the insured to any li-

# America Fore Honor Roll in West Lists 100



The honor roll of the America Fore western department in Chicago now contains 84 names. Since the above photograph was taken, 16 others have been added, so that the record now stands at just 100.

The western department is sending copies of its house organ to the men in service and it is being well received by those men in New Guinea, North Africa and other points.

censed agent of the company with particulars to identify the insured and the property on which the loss is sustained. The insured must furnish proof of loss within 60 days after receipt of a written request from the company.

New Jersey has used the New York policy form since 1892. Mr. Gaulkin said that his committee, which is the fire insurance committee of the insurance law section of the New Jersey Bar Association, would have its report to Commissioner Agger ready in a week or 10 days. He said he has found the

# Breakdown of State Laws Under Federal Pressure Decried

LINCOLN, NEB. — Addressing the convention of the Nebraska Association of Mutual Insurance Companies, Insurance Director Fraizer said he is much concerned with the temporary breakdown of enforcement of the anti-discrimination and anti-rebate laws of Nebraska caused by federal regulations that have required insurance companies to write coverage for defense construction at lower rates than those paid by the general public. Out of a desire not to interfere with but rather to cooperate with the federal government, it has been necessary to overlook these violations.

"The state must be alert," he added, "to see that the federal government does not go too far in this regard under the pressure of war necessity. Indeed, the federal government should not impose too much on the state under the excuse of national emergency. Discrimination and rebating are evils. The legislature so determined many years ago, and the insurance department is doing and will continue to do, everything possible to enforce these laws."

Nebraska has a considerable number of defense plants, but Director Fraizer said the companies are scrupulously paying premium taxes on the coverage sold.

companies most cooperative on the question of revision.

G. H. Martin, New York Underwriters, president, introduced Mr. Gaulkin.

W. D. O'Gorman of O'Gorman & Young of Newark, president New Jersey Association of Insurance Agents, has been laid up with pneumonia and has been away from his office for about two months, a month of which was spent in Florida. He is now back on the job.

# Legal Liability Cover Raises Charter Questions

Some of the fire insurance companies whose charters are restricted closely to fire insurance and other direct physical damage insurance have concluded that they are not privileged to write the type of legal liability insurance that is much in demand these days from war contractors that are not required by the government to buy insurance but who under their contracts are liable for fire and other loss attributable to their negligence. One or two of these insurers have taken the position that this is liability insurance and, not being chartered for casualty lines, they are not in a position to handle such business.

The rate at which at least some of this legal liability insurance has been placed is 50% of that for full insurance. Perhaps some of the insurers who are pleading inability because of charter limitations to write the business believe that the business is unattractive and they are merely using this means of closing the door. Practically all companies issue sprinkler leakage legal liability policies and fire companies have in the past at least issued automobile property damage liability insurance.

This question of legal liability insurance continues to receive a lot of attention. The fear is rather general that if the government knows that the contractor has such insurance it will attempt to assert that almost every fire is due to the contractor's negligence. Of course the insurance companies could test these cases in court but the fire companies have a distaste for litigation and they hesitate to engage in a line of business that threatens to be productive of lawsuits.

A number of bonds have been written by surety companies for warehousemen

(CONTINUED ON PAGE 39)

# AMERICAN HOME FIRE ASSURANCE COMPANY

## FINANCIAL STATEMENT AS AT DECEMBER 31, 1942

### ADMITTED ASSETS

*Bonds—United States Government....	\$ 770,334.44
*Bonds—All Other .....	479,160.18
*Stocks .....	1,020,848.51
Cash on Hand and in Banks.....	378,138.80
Mortgage Loans (Face Amount \$202,683.60) .....	159,000.00
Premium Balances (Less Ceded Reinsurance Balances) .....	150,534.39
Interest Due and Accrued.....	10,702.44
Other Admitted Assets.....	7,895.94
	<u>\$2,976,614.70</u>

### LIABILITIES

Reserve for Losses and Loss Expenses..	\$ 114,060.25
Reserve for Unearned Premiums.....	816,176.63
Reserve for Expenses, Taxes (Including \$21,403.41 U. S. Income Taxes) and Contingent Commissions Due or Accrued .....	77,665.29
Reserve for all other Items.....	11,310.25
	<u>\$1,019,212.42</u>
Capital Stock (100,000 shares \$10.00 Par Value)	\$1,000,000.00
Surplus .....	957,402.28
	<u>1,957,402.28</u>
	<u>\$2,976,614.70</u>

## POLICYHOLDERS' SURPLUS - - - \$1,957,402.28

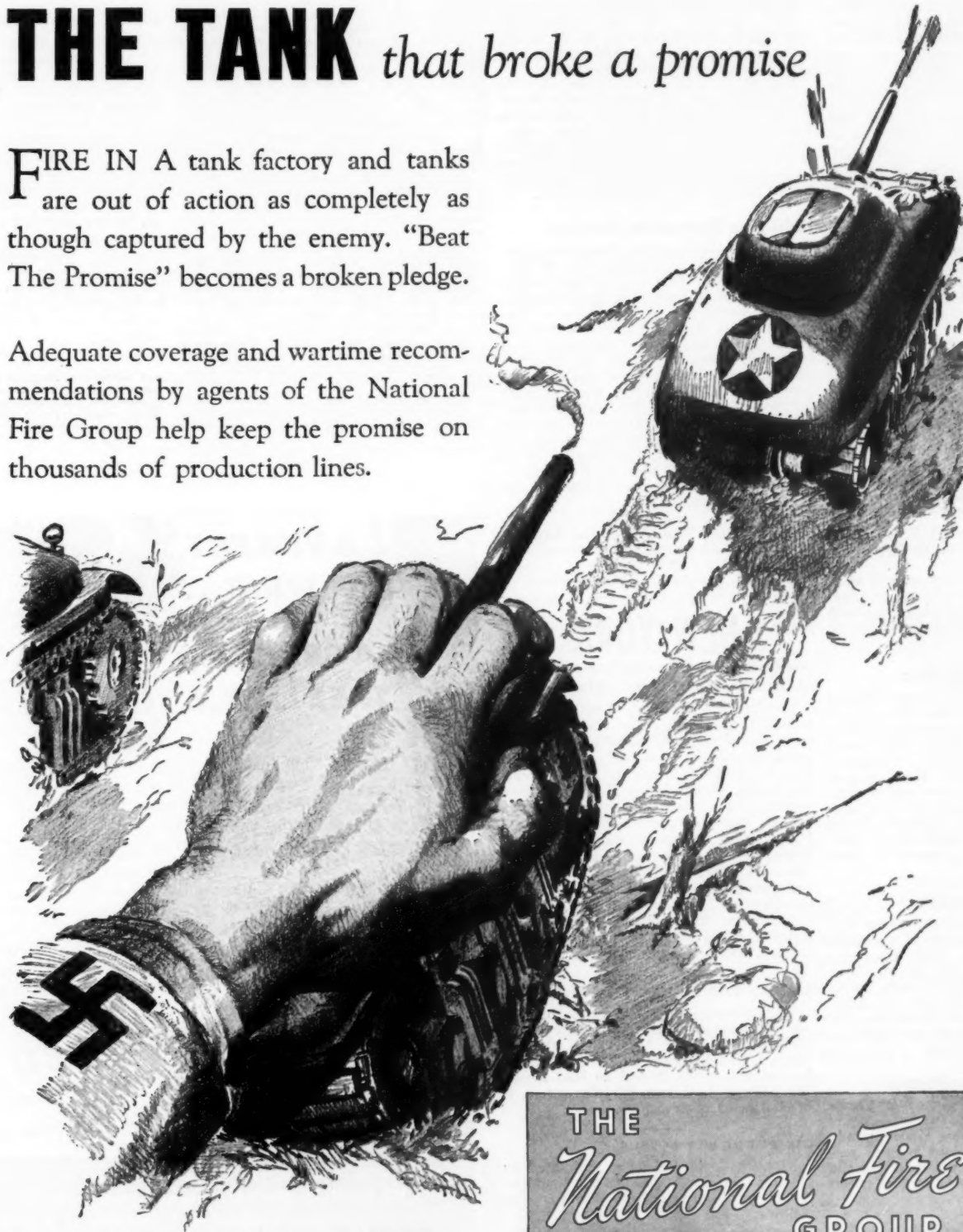
\*Bonds and Stocks are carried on the basis prescribed by the Insurance Department of the State of New York. If actual December 31, 1942 market quotations for all except insurance stocks had been used (such insurance stocks being taken at statutory values) the Policyholders' Surplus would be \$2,028,317.36. There has been deducted an amount of \$29,616.55 representing interest in our own stock through ownership of Second Preferred Stock of the Globe and Rutgers Fire Insurance Company. Securities carried herein at \$326,271.00 are deposited with Governments and State Departments as required by law.



# THE TANK *that broke a promise*

**FIRE** IN A tank factory and tanks are out of action as completely as though captured by the enemy. "Beat The Promise" becomes a broken pledge.

Adequate coverage and wartime recommendations by agents of the National Fire Group help keep the promise on thousands of production lines.



One way we are helping National Fire Group agents cover their territory quickly, effectively, profitably, is through our new tip-in plan. Ask your National Fire Group Field Man



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*National Fire*  
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NATIONAL FIRE INSURANCE COMPANY OF HARTFORD • MECHANICS & TRADERS INSURANCE COMPANY  
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HOME AND ADMINISTRATIVE OFFICES: HARTFORD, CONNECTICUT  
WESTERN DEPT. 171 WEST JACKSON BLVD., CHICAGO • PACIFIC DEPT. 224 BUSH ST., SAN FRANCISCO

HAVE YOU SEEN TO IT THAT EVERYBODY YOU KNOW IS FAMILIAR WITH WAR DAMAGE INSURANCE... WHAT IT COVERS AND WHAT IT COSTS? YOU SHOULD!

## NEWS OF FIELD MEN

### Set Up Ind. Committees for War Inspection Job

INDIANAPOLIS — W. C. Collic, Ohio Farmers, president of the Indiana Fire Prevention Association, announces the completed committees of the war inspection program which was set up after a week's schooling at Indianapolis three weeks ago.

Ross E. Coffin, Boston and Old Colony and Eagle Star, is chairman of the educational committee. James A. Bawden, Springfield F. & M., is chief of the headquarters committee and John C. Johnson, Pennsylvania, forms.

Mill and elevator, D. J. Munro and R. M. Hubbell, State of Pennsylvania; sprinkler, C. W. Barger, Caledonian, and J. B. Dirks, American; chemistry, Homer G. Meek, London, and J. B. Dorsett, North British; electrical, H. M. Failing, Automobile, and C. A. Woerner, Niagara.

Regional directors: M. C. Buckingham, Great American; D. D. Fitzgerald, Commercial Union; R. O. Graves, Hartford; H. M. Failing, G. L. Heinz, J. C. Johnson, H. A. Smith, Northern of New York; R. C. Walker, C. A. Woerner and J. D. Swisher.

### Staufenbiel Is Michigan State Agent of Caledonian

Caledonia has appointed F. G. Staufenbiel as state agent of the group in Michigan.

Mr. Staufenbiel is a field man of wide experience and for many years was associated with North America. He will have headquarters at 1323 Majestic building, Detroit.

### Babson Is Florida Speaker

ORLANDO, FLA. — Roger Babson was guest speaker at a Blue Goose session here following a business conference of the Field Conference with Chairman Tom C. McDonald, Fireman's Fund, Tampa, presiding. Local agents from the Orlando area were guests. The luncheon was in charge of H. A. Chadbourne, Aetna, most loyal gander, Grand Guardian George E. Edmondson presented the speaker. Attendance was well over 100.

### Bastrop, La., Is Inspected

The war activities and fire protection committee of the Louisiana Association for the Reduction of Fire Loss inspected Bastrop, La., with 26 members participating. A. J. Bolles, state agent of Aetna Fire, was chairman. G. Allen Kimball, member of the Louisiana insurance commission, and two deputy fire marshals also attended.

### Reports on Coast Conference

G. A. Warburton of Swett & Crawford, who was delegate to the Pacific Coast conference of Blue Goose ponds in San Francisco, reported on the session at the March meeting of the Seattle pond. Mr. Warburton was elected president of the conference.

### Ind. Field Meeting June 29

It has been decided to hold the annual meeting of the Indiana Fire Underwriters Association, June 29 at Indianapolis as was done last year. It was held at one of the country clubs just outside the city. While the date is tentative it will likely remain unchanged. George R. Pritchett, American of Newark, is president and later will announce the arrangements committee.

At the meeting of the Ohio Stock Fire Insurance Speakers Association in Columbus next Monday. Fred H. Reiss, Employers Fire, will speak on "Your Life and Mine."

The Ohio Fire Underwriters Association will meet April 6 in Columbus.

### Malcolm Moore in Field Work for Phoenix, Conn.

Malcolm Moore has been appointed special agent for Phoenix of Hartford, and will be associated with N. W. Cady, superintendent of the inland marine and service department at Minneapolis.

Mr. Moore has been connected with Phoenix for several years, and received his early training in the fire and inland marine departments at the home office. For the past 3½ years he has been in the underwriting department at Minneapolis, and will now handle field work in Minnesota and adjoining states.

### Hold Fire Prevention Institute

Members of the Fire Prevention Association of Ohio conducted an educational program for the fire and safety personnel of all industrial plants and important properties in the Bucyrus district. C. R. Roggenkamp, Security of Iowa, spoke on "Fire Prevention" and explained a colored movie showing the operation of all types of chemical extinguishers. T. J. Ocask, Underwriters Service, discussed "Fire Protection and Plant Inspection." The meeting was thrown open to the fire department and all auxiliary firemen. The speakers were presented by J. R. Neff, local agent. A question and answer period brought out many interesting points.

The Kansas Fire Prevention Association will hold its annual meeting May 5 in Wichita. Ray H. Priest, Royal-Liverpool, Topeka, is now president.

## NEW YORK

### J. M. THOMAS' DAY IS NEAR

Robert P. Barbour, United States manager of Northern of England, will have completed two years of service as president of the National Board when that organization holds its annual meeting late in May. If the National Board follows its custom the vice-president, J. M. Thomas, president of National Union, will succeed him and F. A. Christensen, executive vice-president America Fore, chairman of the executive committee, will advance to the vice-presidency.

According to the by-laws the annual meeting takes place the last Thursday in May, which this year falls on the 27th.

### WOMEN SET SPRING TEA DATE

The annual spring bridge and tea of the Insurance Women of New York City will be held April 3 at the St. George Hotel, Brooklyn. Proceeds will be donated to the American Red Cross. Miss Mary R. Regan, 85 John street, is in charge of reservations.

### BIG FEBRUARY LOSSES

Fire losses in February estimated as costing more than \$100,000 are listed by the New York Journal of Commerce as follows:

Bridgeport, Conn., lumber mill \$150,000; Rockland, Me., building and shop \$500,000; Skowhegan, Me., factory building and boiler house \$100,000; Bishopville, Md., chicken hatchery \$750,000; Hagerstown, Md., three buildings \$300,000; Cambridge, Mass., building \$100,000; Gloucester, Mass., plant and railway company \$100,000; Roxbury, Mass., building \$100,000; Bay Head, N. J., boat works \$100,000; Haddonfield, N. J., garage and 28 buses \$560,000; Middletown, N. Y., apartment house \$150,000; Poughkeepsie, N. Y., hotel \$100,000; Rego Park, N. Y., 10 stores \$300,000; Shortsville, N. Y., pickling company \$150,000; Defiance, Pa., school plant \$225,000; Erie, Pa., apartment house and two stores \$200,000; Meadville, Pa., hangar \$100,000; Phoenixville, Pa., bakery plant \$125,000; Yukon, Pa., school \$250,000; Milton, Vt., school \$100,000; Ashland, W. Va., building,

warehouse, two dwellings and theater \$100,000.

Also: Fox Lake, Ill., food plant and lumber company \$100,000; Olney, Ill., six stores, three dwellings, lumberyard and five apartments \$200,000; Evansville, Ind., State Hospital \$3,500,000; Marion, Ind., creamery \$150,000; Marion, Ind., building \$150,000; Terre Haute, Ind., three stores \$350,000; Adron, Ia., building \$100,000; Waterloo, Ia., building \$100,000; Glasgow, Ky., building \$100,000; Newport, Ky., dwelling \$100,000; Bay City, Mich., two buildings \$100,000; Marshall, Mich., building \$100,000; Minneapolis, freight terminal \$150,000; St. Paul, hotel, \$100,000; Kansas City, tire and rubber warehouse \$500,000; Canton, O., two buildings \$100,000; Napoleon, O., five stores \$100,000; Cardin, Okla., mill \$100,000; Clifton, Tenn., three buildings \$100,000.

Also Arkadelphia, Ark., school building \$150,000; Jacksonville, Fla., warehouse \$100,000; Jacksonville, four warehouses \$141,000; Americus, Ga., store, barn and plant \$100,000; Monroe, La., furniture company \$200,000; New Orleans, building \$200,000; Monroe, Miss., four buildings \$180,000; Philadelphia, Miss., store \$150,000; Winston-Salem, N. C., school \$100,000; Charleston, S. C., plant \$100,000; Spartanburg, S. C., four stores \$200,000; Gatesville, Tex., department store \$125,000; Saginaw, Tex., plant \$5,000,000; Buchanan, Va., building \$250,000; Wytheville, Va., woolen mills \$150,000.

Also Juneau, Alaska, apartment house \$100,000; Seward, Alaska, buildings \$200,000.

000; Napa, Cal., building \$150,000; Oakland, Cal., warehouse \$5,000,000; LaJunta, Colo., building, \$100,000; Boise, Idaho, building \$200,000; Ellensburg, Wash., flour mill \$100,000; Seattle, packing company \$125,000; Spokane, poultry plant \$100,000; Wenatchee, Wash., bottling works \$350,000.

### Asks Free WDC Renewals

BOSTON—Congress has been asked by the Massachusetts Federation of Taxpayers to continue in force, without payment of another year's premium, the present war damage coverage.

The federation states that \$120,000,000 in premiums were collected and that the earnings on that amount should more than take care of the administration expenses. To demand another \$120,000,000 for the second year would work an undue hardship on the public, says the association.

It has been taken for granted that should there be no losses prior to July 1, the first anniversary of WDC, the policies would be continued in force for another year without additional premiums.

"What to Say in Selling Life Insurance" has helped tens of thousands. Real interviews by real salesmen. Duryea. \$1.50. Order from National Underwriter.

**A VIOLENT WIND...  
A CRASHING TREE LIMB...**



Just one of many accidents that can interrupt the peace of home while you're away. Your wife is faced with the problem of meeting the emergency alone—unless she can solicit the trained services of a local insurance agent!

We would appreciate the opportunity to explain that doing business with this agency costs you no more, yet provides benefits over and above those provided in your policy. Why not phone today for an appointment?

**(YOUR IMPRINT)**  
(Telephone No. & Address Here)

*Priorities, Tires & Gasoline Won't Keep This Agent From the Scene!*

Actual size reproduction of advertisement in our ADVERTISING AIDS TO AGENTS. Write for "packet" containing advertising, direct-mail and follow-up suggestions—adapted to wartime conditions.

# Phoenix-London

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EMMCO INSURANCE COMPANY



EMMCO CASUALTY INSURANCE COMPANY

# STRONG AND DEPENDABLE

You'll find it to your advantage to represent Emmco not only because Emmco is strong and dependable, but because of the close working arrangement with agents. More and more agents are joining the Emmco family, making full use of Emmco's advertising and sales promotion plans, maximum protection and prompt, fair adjustment policy. . . . Emmco's radio programs and sales literature suggest to the public that they "Call their friendly Emmco agent." Why not be the Emmco agent they will look to in your community? Write today for complete information on the Emmco Plan.

## EMMCO INSURANCE COMPANY

Financial Statement -- December 31, 1942

### ASSETS

Cash—Demand and Time Deposits . . .	\$2,033,104.85
U. S. Government Bonds . . . . .	2,314,538.38
Municipal and Industrial Bonds . . . .	222,116.33
Stocks . . . . .	507,488.34
Premiums—Not over 90 Days Due . . . .	303,060.59
Accrued Interest . . . . .	16,620.98
Other Admitted Assets . . . . .	3,782.00

Total Admitted Assets . . . . . \$5,400,711.47

### LIABILITIES

Reserve for Claims . . . . .	\$ 358,915.00
Reserve for Taxes . . . . .	1,002,352.72
Reserve for Expenses . . . . .	84,164.98
Reserve for Unearned Premiums . . . . .	1,594,473.41
Reserve for Contingencies . . . . .	200,000.00
Capital Stock . . . . .	\$ 600,000.00
Surplus . . . . .	1,560,805.36

Total . . . . . \$5,400,711.47

On the basis of December 31, 1942, market quotations for all bonds owned, the total admitted assets and surplus would be increased \$1,150.59. All stock is in a subsidiary Company and valued on a capital and surplus basis. Securities carried at \$239,715.79 in the above statement are deposited as required by law.

## EMMCO CASUALTY INSURANCE COMPANY

Financial Statement -- December 31, 1942

### ASSETS

Cash—Demand and Time Deposits . . .	\$ 530,813.83
U. S. Government Bonds . . . . .	511,036.90
Premiums—Not over 90 Days Due . . . .	29,735.77
Accrued Interest . . . . .	5,389.77

Total Admitted Assets . . . . . \$1,076,976.27

### LIABILITIES

Reserve for Claims . . . . .	\$ 264,477.42
Reserve for Taxes . . . . .	36,886.34
Reserve for Other Expenses . . . . .	13,568.75
Reserve for Unearned Premiums . . . . .	242,431.13
Capital Stock . . . . .	\$300,000.00
Surplus . . . . .	219,612.63

Total . . . . . \$1,076,976.27

On the basis of December 31, 1942, market quotations for all bonds owned, the total admitted assets and surplus would be increased \$1,383.10. Securities carried at \$206,616.90 in the above statement are deposited as required by law.

# Emmco

Stock  
Insurance Companies

HOME OFFICE • SOUTH BEND, IND.

E. M. MORRIS  
President

H. C. WILLIAMS  
V. P. and Secy.

T. F. SHORTALL  
V. P. and Agency Supt.

C. L. SCRANTON  
Mgr. Underwriting Dept.

## INSURANCE MEN IN ARMED SERVICES

**John C. Wharton, Jr.**, who before entering service was with the underwriting department of Hartford Fire in Chicago, has completed his army air force training and was graduated as a second lieutenant. He has been assigned to Randolph Field, San Antonio. Mr. Wharton is a son of John C. Wharton, Sr., Kentucky state agent of Crum & Forster.

**A. H. Benjamin**, Indianapolis manager of North America, who has been in the marine reserve corps, has been called for duty.

**M. A. Lukas**, America Fore special agent, Indianapolis, has joined the army.

**F. G. Westerman**, North America engineer, Indianapolis, has joined the navy.

**John Baldwin** of the bonding department of Maryland Casualty in Los Angeles, has joined the army and has reported to Fort MacArthur.

**J. J. McNeill of the Rich, Spellman** agency of Kansas City is in the naval forces and is located at the Fairfax Airport, Kansas City.

**Jack Wheaton**, formerly Iowa field supervisor of New Amsterdam Casualty, who was inducted into the army in the spring of 1942 and attended an officers candidate school in the east, has been commissioned a second lieutenant attached to the signal corps replacement pool at Fort Monmouth, N. J.

**William Brenza**, nephew of Dr. S. A. Brenza, president of Pioneer Fire of Chicago and a lieutenant (j.g.) in the navy, was married recently to Mary Anne Somervell, eldest daughter of Lieut. Gen. Brehon B. Somervell, chief of the army's service of supply. The ceremony took place at Fort Myer, Va., with Episcopal service. General Somervell handled all arrangements and although the wedding was informal there was an imposing list of army and navy officers and government officials. The young couple now is living in Benton Harbor, Mich. Mrs. Brenza is a Bryn Mawr graduate. Lieutenant Brenza formerly was a bookkeeper for Pioneer Fire. He has been in the service since September, 1939.

**Lt. John V. Richards, Jr.**, of the J. V. Richards & Son General Agency, Nashville, is now on duty with the eastern defense command at Camp Mills, Mitchell Field, N. Y. He is with the 315th balloon barrage battalion, having spent the last six months at Camp Tyson, Tenn.

**John G. Miller**, formerly special agent in Seattle of Cravens, Dargan & Co., has completed a navy training course at Dartmouth and has been commissioned a lieutenant (j.g.). He will begin another course at Princeton April 12.

**Alfred M. Hanssen**, Wisconsin special agent of Newark Fire and Queen, has been commissioned an ensign in the naval reserve and will report April 5 to Great Lakes Naval Training Station as assistant to the disbursing officer. He will be transferred to Harvard June 14 for further training.

**Standish Hall**, Wichita agent, who is naval liaison officer in Kansas, engaged in naval officers procurement with offices in Topeka, has been promoted from lieutenant to lieutenant commander.

**David Mizer**, former staff adjuster with the Topeka office of the Western Adjustment, now with the naval reserve air base near Hutchinson, Kan., has been assigned to the meteorology department. He was formerly in charge of fire inspection at the base.

**Bruce Burris**, local agent at Chanute, Kan., has reported at the new army air corps training field at Pratt, Kan. His father, Leon Burris, formerly a Chanute agent, will carry on the agency.

**Jack Taurman**, former field man of American Automobile in Cincinnati, has been reported missing in action. This office has contributed 31 men and

women to the armed forces. **Lieut. H. R. Knudson**, who was underwriter in the Ohio department office before entering the army, was married this week to Marie Cole at New Rochelle, N. Y.

**Elmer J. Sherman**, Cincinnati, state agent of Royal for Hamilton county, has been commissioned a first lieutenant in the army air corps. He will train in Florida.

**Mitchell Robinson** of Robinson & Julianne, Jackson, Miss., agency, has been made a captain in the military intelligence division at Fort Benning, Ga. He was a captain in the first war.

Total enlistment of members of **Lumbermen's Mutual Casualty** and affiliated Kemper companies in the armed forces is 410. Twenty are women employees who have entered the armed services.

**Martin Cogley**, special agent for the Regan General Agency of Sioux Falls, S. D., has joined the army and is attending an ordnance school in Chicago.

**Francis Rodenborn**, assistant examiner of Pacific National Fire in the Chicago branch, has been inducted into the army.

**K. C. Langhammer**, special agent of Great American, Indianapolis, has been commissioned a lieutenant (j.g.) in the navy and reports for duty this week.

**Miner Shaw**, former Sioux Falls, S. D., agent in the air intelligence, 100th bomb group at Kearney, Neb., has been promoted from a captain to a major.

**Hector H. Flenniken**, local agent in Knoxville, Tenn., before entering military service at Camp Barkey, has the unique distinction of qualifying for commissions in two different branches of the army. With an officer's training course as a second lieutenant in the medical corps nearly completed, Mr. Flenniken has been notified of the restoration of a first lieutenantcy obtained in 1937 and later taken away because of a disability.

**Linn S. Kidd**, local agent of Brazil, Ind., has been promoted to major in the intelligence division of the army air corps.

**Lieut. (j.g.) W. H. Arpaia**, who was featured because of action in the north Atlantic area, was an employee of the Chicago office of the Employers Mutual Casualty of Des Moines until last November, when he entered the service.

## COMPANIES

### Arnett President; F. G. Breen Manager of Standard, N. J.

At a special meeting of the board of directors of Standard Fire of Trenton, George W. Arnett was elected president to succeed the late Frank J. Breen.

Mr. Arnett has been a director of Standard since 1934 and chairman of the finance committee since 1936. He is vice-president of the Trenton Saving Fund Society and will continue in this capacity with that institution.

#### Son of Breen Advanced

At the same meeting, Vice-president F. Glenn Breen, son of the late president, was elected a director and made vice-president and manager. Mr. Breen was also appointed to the executive committee. Formerly agency superintendent he had been elected vice-president just a day or two before his father's death. He was connected with Firemen's several years before going with Standard.

#### Interstate Is Expanding

Interstate of Newark has been licensed in four more states—Iowa,

Maine, Minnesota and Rhode Island. It will enter a number of other states.

## North America Results Analyzed

Total net premium income of North America was \$50,011,544 in 1942, an increase of \$16,918,398 over 1941. Marine premiums were \$26,985,195 and fire, \$23,026,349.

Ocean marine war risk writings were \$17,788,000, other ocean marine \$3,064,000, and inland marine, including aircraft, \$6,133,017, an increase of \$1,383,000.

Assets increased from \$116,796,307 to \$124,441,223. Capital is \$12,000,000 and surplus increased last year from \$61,656,834 to \$63,643,419. Premium reserve increased from \$25,663,255 to \$27,990,334 in 1942.

Losses paid on ocean marine war risks totalled \$15,222,447.

Fire premiums for 1942 were \$20,399,000, an increase of 21.6%. Fire losses totalled \$6,862,000, the loss ratio being 33.8%.

North America wrote more than 200,000 WDC policies, on which premiums amounted to more than \$7,900,000.

Holdings of government securities increased by \$5,288,000.

## Pass N. D. Bill to Require Competitive Bids for State Fire Fund Reinsurance

The North Dakota legislature enacted a bill to provide that reinsurance of the state fire fund shall be placed on the basis of competitive bidding. Another bill that was passed prohibits the writing of excess insurance by the state fund. However, due to some complications that occurred the effect of that bill is in some doubt.

#### Results of Examiner's Survey

The question of state fund reinsurance stirred up quite an issue. Sometime ago an examiner appointed by the governor made a survey of the state fund and the placing of reinsurance by the insurance commissioner. He found that reinsurance had increased more than 100 percent and charged that the business was being placed with a few favorite agencies. Also there was involved a catastrophe policy in connection with which a suit is pending to recover the \$10,000 premium paid.

#### Meiss Manhattan F. & M. Director

Vice-president Walter Meiss of Manhattan Fire & Marine has been elected a director.



**A**DEQUATE air power has been the decisive factor in every battle of this war. Without it an otherwise strong force, even a powerful "dreadnought", is almost helpless.

Every business also has many vulnerable spots which need protection if insurance coverage is lacking or inadequate.

Years of experience familiarizing ourselves with the many possible risks, and the best means of buying adequate protection to meet them, is where you will find us most helpful.

# NORWICH UNION

FIRE INSURANCE SOCIETY, LTD.

NORWICH UNION INDEMNITY COMPANY • 75 MAIDEN LANE, NEW YORK, N. Y.



## North America Men in Superior Posts



E. M. BIDDLE

E. M. Biddle, who has just been made vice-president and general counsel of North America and of Indemnity of North America, for many years has been general counsel of those companies.

G. Brinton Lucas, who has been made vice-president of North America, has been connected with the company 34 years. He started in the cotton department at the head office and later went to Texas, returning to Philadelphia in 1915. In 1924 he was made assistant secretary and in 1937 he became marine secretary.

Henry W. Farnum, who becomes marine secretary succeeding Mr. Lucas, started in the ocean marine department of North America in 1925. After service at Pittsburgh he became assistant manager in the metropolitan Philadelphia office and then returned to the head office inland marine department. He later served in the marine loss and ocean marine department and was made assistant marine secretary in 1940.

Bradford Smith, Jr., also a new vice-president, started in the insurance business in Canada in 1926 and went with North America three years later. He served as state agent in northern New Jersey and then went to the head office as a general agent. In 1936 he was made assistant secretary in the fire department and four years later became fire secretary.

### Roberts' Duties Enlarged

C. S. Roberts has been elected vice-president of Indemnity and assistant vice-president of the parent company. He has been assistant vice-president of Indemnity. He went with Indemnity of North America in 1927 in the Indiana field and two years later was transferred to Atlanta. In 1932 he went to the head office as agency superintendent, in 1938 was made assistant secretary and last year became assistant vice-president.

J. M. Crawford, former assistant vice-president has been made vice-president of Indemnity of North America.

Mr. Crawford is a graduate of the University of Illinois. He entered Indemnity's service in the head office as chief supervisor in the claims department in 1934. Three years later he was made assistant superintendent of the compensation and liability department, becoming superintendent the following year. He was made assistant secretary in 1939. Last year he became assistant vice-president in charge of the special risks department. In his new capacity he will supervise the automobile, compensation and liability, engineering and special risks departments.

"What to Know about Life Insurance"—the technical side in salesmen's language. By Duryea. \$1.50. Order from National Underwriter.

## O. K. Insuranshares Stock Trade to End Dispute

PHILADELPHIA — The Securities & Exchange Commission has authorized Insuranshares Corporation, well known investment trust specializing in insurance stocks, to secure 20,000 shares of its own common stock from Burco, Inc., a diversified investment trust, in return for \$7,500 and 36,251 shares of Burco stock, now held by Northern Fis-

cal Corporation, Ltd., a Canadian holding company which is now a subsidiary of Insuranshares.

A syndicate which operated Northern Fiscal Corporation had acquired control of Insuranshares in 1937 and of Burco in 1938. Blocks of stock of each corporation were put up to secure loans on which each purchase was handled and the Insuranshares block was eventually sold by Paine, Webber & Co. to Burco and the Burco block to Northern Fiscal

by the same house. A dispute arose and Insuranshares and Burco sued each other. Under the rules of the SEC, the two holding companies could not exchange stock without permission, so it was sought and granted on the ground that the dispute over ownership tied up the stock so that neither corporation would sell it to a third party without a cloud and that the exchange, accompanied by a full release by both corporations, would clear up the situation.

An advertisement similar to this appears in NEWSWEEK, March 8th, and SATURDAY EVENING POST, April 3rd.



After an engraving from the original painting by Mattoon.



Member Companies—Providing practically every form of insurance except life

Great American  
Great American Indemnity  
American Alliance  
American National  
County Fire  
Detroit Fire & Marine  
Massachusetts Fire & Marine  
North Carolina Home  
Rochester-American

## Group Action Springs from American Tradition

United by common ideals, the Pilgrim Fathers established not only a new land but planted deep in its soil the tradition of group action typified by the joint plan of government they set up in signing the Mayflower Compact.

From that early day to the present, group action has been the American way of achievement. This is exemplified in the program of the Great American Group of Insurance Companies who are united in urging all policyholders to re-appraise their insurance protection. This re-appraisal is made necessary by wartime increases in property value due to scarcity of materials and difficulty of replacement, and to the changing nature of intangible risk.

The broad experience of the Great American Group, covering practically all forms of insurance except life, is available to you through its 16,000 conveniently located agents, or your own broker . . . ready to make you secure against losses from hazards increased by wartime conditions.

INSURE YOUR COUNTRY'S SAFETY—BUY UNITED STATES WAR BONDS AND STAMPS

## AS SEEN FROM CHICAGO

### H. W. CARLISLE CEREMONIAL

A ceremonial has arisen around March 28 each year so far as the calendar of H. W. Carlisle, vice-president Marsh & McLennan in Chicago, is concerned. Some 20 years ago in a spirit of merriment and jollity, a few friends of Mr. Carlisle started sending him a dime in his natal day. This custom was taken up by others until now many friends think of Mr. Carlisle and a dime. He is president of the Evanston Boy Scout Council. The dimes that he receives he turns over to the council to send underprivileged boys to a Boy Scout camp in Michigan during the summer. Manager S. M. Buck of the Great American last year figured that Mr. Carlisle would certainly round out 90 years and sent him a dollar but suggested that some sort of a perpetual policy be issued to cover his entire existence.

Many friends call on Mr. Carlisle at his office March 28 and when a dime is placed on the table the caller is handed a 15-cent cigar. Therefore Mr. Carlisle is out 5 cents on every dime that he receives personally from a caller. Mr. Carlisle started in the insurance business 58 years ago in the local agency of I. J. Lewis, he being an office boy. He goes to his office every day, is well preserved and alert. On March 28 he will be 81 years old.

### HAZEN WITH GREAT AMERICAN

Earl H. Hazen, who has been automobile superintendent at the western department of Pacific National Fire for the past two years, has now made a connection with the western department of Great American and will report April 1. The western department of Pacific National is being closed and the work is to be carried on at the western department in Philadelphia. Mr. Hazen, who was connected with Fireman's Fund for 10 years, started at Des Moines. He had experience in accounting and also in the automobile department.

### MRS. BELCHER HAS UNITY FIRE

Mrs. Kathleen L. Belcher, who has been in the reinsurance business in Chicago for the past 10 years, has now been appointed general agent for Unity Fire of New York. She will continue to serve as general agent for Constitution Reinsurance. These two companies are closely affiliated, since John A. Heinze, who is head of Fester, Fothergill & Hartung is president of Unity Fire and vice-president of Constitution Reinsurance. Mrs. Belcher has made a success of her specialty and is one of the important insurance women insurance executives of the country.

### PLANT PROTECTION PARLEY

A conference on plant protection, under the auspices of the sixth regional office of civilian defense, will be held at the Medinah Club of Chicago April 1-2. The regional facility security officer, Lt. Col. S. Preston Smith, AUS, is general chairman. The program includes outstanding speakers on the various subjects allied with OCD plant protection.

Delegates will observe the working of an industrial plant's control center during an emergency that may be brought on either by sabotage or air-raids. The staff of the War Department civilian protection school at Purdue University is represented on the program as well as plant protection engineers from industrial plants throughout Michigan, Wisconsin and Illinois. This meeting is aimed especially at those insurance company representa-

tives who will be called upon as volunteers to make plant protection inspections for the OCD.

George Hoope of Moore, Case, Lyman & Hubbard sent to members of the Cook County Field Club of which he is president a message asking for volunteers. This project differs from that of the Illinois State Fire Prevention Association, which was tentatively to have had a meeting in Chicago March 30. That gathering has now been postponed.

A showing of aerial warfare films will be made under the direction of Major Gilliland. These portray the actual bombing of London and give a study of the various methods of protective construction.

Emergency fire-fighting equipment will be on display and the operation of it will be discussed by representatives of the staff of the sixth regional office of civilian defense. Other speakers on the program will be representatives of the sixth service command.

### SMALL BUSINESS SUFFERS

Western field men find that business people in the smaller places are having a tough time of it unless there is defense work nearby. They are not able to get merchandise and the people are not in a position to buy anymore than in the past. Where defense work is being carried on even 40 or 50 miles away a number of storekeepers have given up their own business and gone with the factories. Even where merchants are still holding on their stocks have been materially reduced so that they do not carry the insurance that they once had. The chain stores have wrought havoc with the old time small town merchant who was the backbone of his community and the automobile also cut into his trade. Now he is caught by the rationing process and he is just about squeezed to death. In many towns there are a number of vacant stores.

### Attorney General Tells of Retaliation Threat in Cal. Multiple Lines Bill

SAN FRANCISCO—If the California legislature should adopt the assembly bill which provides that companies with sufficient paid in capital and charter provisions permitting may write any lines except title and life the retaliatory laws would become effective with possible widespread confusion, according to an opinion rendered to Assemblyman Thomas A. Maloney, insurance broker, who is author of the bill, by the attorney general.

The opinion points out that in some states companies desiring to amend their charters to write additional lines must receive legislative approval which is not necessary in California.

New York provides that a company licensed there cannot write in any state lines for which it is not licensed in New York. Effect of retaliatory laws, according to the opinion, would mean California companies operating in New York which should amend their articles of incorporation to write multiple lines or additional classes might be barred from New York and in that event the California department would be compelled to revoke the license of any New York company.

Strong opposition is developing in California against the assembly bill which would enable companies chartered to write lines outside their classification to do so in this state. Fidelity & Deposit, which is permitted to write personal property floaters in Maryland, favors the measure, which would enable it to write such business in California.

For a complete understanding of "U & O" and other consequential damage coverages get "Consequential Coverages" by Foster. \$2. from National Underwriter.

## WMC Director Tells Agents to Step Up Production

PHILADELPHIA—Insurance agents between 18 and 38 will soon have to be replaced by men over that age, those physically handicapped, or women, if companies want to keep their staffs as numerically strong as they have been. That opinion was voiced by Louis B. Raycroft, regional director of the War Manpower Commission, at a White Collar Win-the-War Conference here.

Mr. Raycroft said he recognized that agents, as well as other white collar workers, are doing important work but pointed out that the armed services are planning to absorb 11 out of every 14 able bodied men in the nation "before long."

### May Have to Institute Draft

War production needs are so great, he said, that if enough men do not volunteer to enter war work, the government may have to institute a draft. To avoid this, Mr. Raycroft suggested that production by agents, as well as workers in other fields, be stepped up so

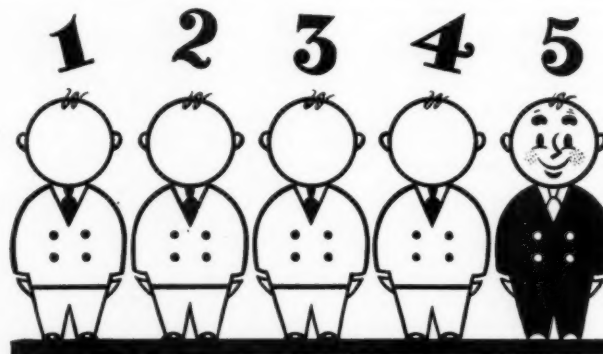
that a number of them can be spared to volunteer for more essential work.

The conference was sponsored by the United Office & Professional Workers of America, of which the Insurance Guild is a member.

During a question period the issue of job security for agents who volunteer for war work was raised. Protests were voiced against the alleged unwillingness of insurance companies to grant leaves of absence for the duration.

Mr. Raycroft was asked if the government would take the initiative in bringing representatives of insurance companies, employees and the government around a table to discuss job security and seniority in the event agents are called to war work. He answered that such action was not within the jurisdiction of the WMC and suggested that it could be solved only by legislation or voluntary employer-employee activity.

Albert Shepard, Pennsylvania regional director of UOPWA, declared that if insurance agents are expected to increase their production to release as many as possible to war work, their compensation should be increased. He urged that they be granted at least a 15% increase under the "Little Steel" formula plus a 7% rise to allow for higher costs since that time.



## COUNT FIVE — AND FIND A PROSPECT

Wouldn't it be nice, in times like these, to have another line you could offer, knowing that one in five of your clients will buy it, this year? A line new to you, perhaps, but about which you can get all the sales promotion and selling help you need?

Have you ever wondered just how much sense it makes to completely ignore certain big sources of commission income? Why, you might ask yourself, should I literally invite other agents to knock at my clients' pocketbooks — by begging off whenever the subject of life insurance comes up?

Give us a chance to help you learn the life underwriting score and to earn life underwriting income. It's nothing new to us — for years we've worked with fire and casualty agents with real profit to them.

Send, without cost or obligation, for one of our plans to help you capitalize the one in five of your clients who'll buy life insurance this year. It's called "The Family Income Plan".

Complete and mail the coupon, now!

**Connecticut Mutual**  
LIFE INSURANCE COMPANY



Connecticut Mutual Life Insurance Co.  
Hartford, Conn.

Please send me, without cost or obligation, your promotion plan on The Family Income Plan.

Name \_\_\_\_\_ (please print)

Street \_\_\_\_\_

Town or City \_\_\_\_\_ State \_\_\_\_\_

NU-1

### CLAIMS SUPERVISOR or OFFICE MANAGER

This man is 44 with 16 years claim experience both as adjuster and supervisor. Marked executive ability. Would make excellent office manager.

### FERGASON PERSONNEL

Insurance Personnel Specialists

166 W. Jackson HARRISON 9040



## Broader Coverage Urged by Buyer in Seattle

SEATTLE — Companies have not made as much progress as agents in serving the public, William Sharpe, insurance manager for Meier & Frank Co., Portland, Ore., department store, declared before the King County Insurance Association. Forms are antiquated, there are too many loopholes in the coverage and time-worn tradition prevents producers from doing all that they want to do for the insured in the way of furnishing the broadest possible protection, he declared.

The outmoded verbiage of the standard fire policy should be discarded and in its stead there should be an all-inclusive form. "Why should it be necessary to add an extended coverage endorsement to a fire policy?" Mr. Sharpe inquired. The coverage is so desirable that every buyer should have it, and it should be incorporated in the standard form. Agents associations should work unceasingly for a new, broadened standard form. "Why wouldn't it be a good idea to include water damage in the standard form?" he asked.

### Emphasis on Protection

The emphasis today among intelligent insurance buyers has definitely shifted from cost to coverage and adequacy of protection. The insurance companies should relax outmoded restrictions and permit producers to give the maximum in coverage to the public. Mr. Sharpe criticized underwriters, declaring that they lack imagination. The insurance business needs imagination to furnish the best and broadest in insurance protection.

Casualty companies are far ahead of the fire companies, in Mr. Sharpe's opinion. Development of the comprehensive liability policy was cited as a progres-

sive move. The personal property floater is also an innovation which is in line with public demand.

U. & O. coverage is generally confined to fire, Mr. Sharpe said. This protection should be broadened and placed on an all-risk basis, including water damage. He urged the agents to work for war damage U. & O. The business man today is not interested in the cost factor. He is concerned only with protection and coverage against irreplaceable loss. Stress the tax angle, Mr. Sharpe urged, and you will find little sales resistance.

Mr. Sharpe cited four considerations which he as a buyer of insurance takes into account in purchasing insurance. The first three, dealing with companies are: (1) Financial stability; (2) loss paying ability based upon the company's record; (3) flexibility of the form offered. The fourth and final factor, Mr. Sharpe said, is the approach used by the producer and his knowledge and ability to be of service.

## Fire Waste Council Parley April 2 Has War Program

The annual meeting of the National Fire Waste Council April 2 at the headquarters of the U. S. Chamber of Commerce in Washington will stress the burden of fire on the nation's war effort and the fire safety problems of principal divisions of business constituting the U. S. chamber's membership. The council meeting will be preceded by a meeting of its executive committee April 1.

Business executives representing manufacturing, food processing and storage, chambers of commerce and trade associations whose organizations have made particular contributions to war time fire prevention will be on the program. The sessions will be executive. The National Association of Insurance Brokers and the National Association of Mutual Insurance Companies recently have been admitted to membership in

## Strong Demand for Higher Wind Rates in Tex. Is Being Presented

The Texas Board of Insurance Commissioners has called a public hearing in Austin, April 1 to consider the revisions of windstorm and extended coverage rates and rules, and all matters pertaining to the writing of such insurance in Texas. With an over-all loss ratio on windstorm in 1942 of 107.4%, companies and general agents have requested an increase in rates. The storm that hit south Texas Aug. 30 caused an insurance loss of about \$3,700,000; this storm hit at Port Arthur, went due west across the gulf coast area to Corpus Christi and then northwestward to San Antonio.

Kemp S. Dargan, president of the Texas Association of Managing General Agents, addressed the board last week, saying:

"For some time the companies have been experiencing from year to year a heavy increase in the volume of losses on windstorm and hail insurance. It has been particularly vicious on dwellings and other structures in that classification. There is nothing in sight that we can see which might cause this type of loss to decrease materially; on the other hand it is evident that the high cost of both labor and material will increase.

"We believe that this condition has existed a sufficient length of time to definitely prove that the rates now applicable are seriously inadequate, and we respectfully suggest that a substantial increase in rates be authorized at an early date."

the council, now composed of 33 national organizations.

The results of the current National Inter-Chamber Fire Waste Contest for 1942 will be announced at the meeting April 2, and the awards will be given at the U. S. chamber's annual meeting in New York City April 26-29.

## Brokers Are Pleased with Service of Bico

NEW YORK—Bico, the British Insurance Communications Office, has issued a supplementary bulletin covering a number of minor points. All postal communications going direct to London should be marked "insurance" on the envelope so that they may go directly to the insurance division in the office of censorship. Letters to Bico should be as brief as possible and should cover only matters to be handled through Bico. Other subjects should be dealt with in separate letters and sent direct. Foreign risks engaged in or related to the war effort are subject to the same restrictions as to communications as are similar risks located in the United States. Communications dealing with registered mail insurance are not subject to restrictions and may be sent direct.

### Working Hours

As far as possible Bico will handle communications received up to 5 p.m. Mondays through Friday and up to noon Saturdays the same day as received, except that communications from the Pacific coast received up to 3 p.m. Saturdays will be handled the same day.

Those having dealings with Bico say that the service is very prompt, particularly on outgoing cables. On incoming cables there is an unavoidable delay, since cables which Bico receives do not reach New York recipients until the following day unless they send for them. However, Bico will notify local offices by telephone of the arrival of cables and will read the message over the phone if asked to.

G. W. Pelletier, who has been operating his own general brokerage business in New York since 1936, has joined Fred S. James & Co. of New York in an executive capacity. After serving in the last war he was connected for 13 years with Bertschman & Maloy in New York.

## Associated Indemnity Corporation

STATEMENT, DECEMBER 31, 1942

### ASSETS

Cash .....	\$1,208,933.71
Government, State and Municipal Bonds .....	4,432,672.53
Other Bonds .....	283,460.70
Guaranteed and Preferred Stocks .....	799,755.00
Other Stocks .....	943,080.00
Real Estate (Home Office Building) .....	312,374.71
Premiums Outstanding Less than 90 Days .....	1,313,574.80
Accrued Interest, and Miscellaneous Assets .....	38,145.43
Total Admitted Assets .....	\$9,331,996.88

### LIABILITIES

Reserve for Losses .....	\$4,664,275.93
Reserve for Unearned Premiums .....	1,107,382.00
Reserve for Return Premiums Under War Department and Similar Rating Plans .....	250,539.00
Reserve for Commissions, Taxes and Expenses .....	865,918.47
Reserve for Miscellaneous Liabilities .....	35,011.20
Voluntary Reserve for Compensation Losses under Policies on War Department Rating Plan .....	183,745.90
Reserve for Security Fluctuations and Contingencies .....	225,124.38
CAPITAL .....	\$ 750,000.00
SURPLUS .....	1,250,000.00
SURPLUS TO POLICYHOLDERS .....	2,000,000.00
Total .....	\$9,331,996.88

## Associated Fire & Marine Insurance Company

STATEMENT, DECEMBER 31, 1942

### ASSETS

Cash .....	\$309,494.24
Government, State and Municipal Bonds .....	283,208.86
Other Bonds .....	5,300.00
Preferred Stocks .....	44,640.00
Other Stocks .....	42,700.00
Premiums Outstanding Less than 90 Days .....	30,337.30
Accrued Interest and Miscellaneous Assets .....	2,563.52

Total Admitted Assets .....

### LIABILITIES

Reserve for Losses .....	\$ 16,585.55
Reserve for Unearned Premiums .....	179,768.00
Reserve for Taxes and Expenses .....	14,151.69
Reserve for Contingencies .....	7,738.67
CAPITAL .....	\$300,000.00
SURPLUS .....	200,000.00

SURPLUS TO POLICYHOLDERS .....

Total .....

Securities with asset values as follows are deposited in accordance with legal requirements: Associated Indemnity Corporation, \$2,000,577.53; Associated Fire & Marine Insurance Company, \$211,160.21.

HOME OFFICE: SAN FRANCISCO

LOS ANGELES

DALLAS

CHICAGO

NEW YORK

PORTLAND, ORE.

L. H. Mueller, Chairman

L. S. Moorhead, President

## EDITORIAL COMMENT

### Loss from Falling Airplane

It is very evident that the extended cover policy is decidedly useful these days in connection with the increasing number of airplane crashes damaging property materially. For instance the Frye & Co. meat packing plant of Seattle had a total property loss of \$1,251,200 on buildings and \$240,000 U. & O. Direct fire damage has been estimated at about \$500,000 and the U. & O.

loss will run between 40 and 60 percent. It is evident the assured did not have extended insurance and hence was not covered so far as the actual crash loss was concerned. In times gone by many assured felt that the falling of an airplane was remote. Today with so many training planes flying over all sections of the country extended insurance is certainly something worth while.

### Taking the Beveridge Plan for Granted

In view of current efforts to obtain cradle-to-grave social security for everybody, it may be that a little-noticed statement last summer during the testimony on the Pepper bill to compensate civilians injured or killed during hostilities had more significance than was realized at the time. William Haber, special assistant to the director of the budget, was testifying before the Senate finance committee on the advisability of framing the bill so that the federal security agency rather than the federal employees compensation commission would handle claims.

After mentioning that many of those covered by the bill were not workers and hence outside the commission's natural scope, that the FSA already had a big establishment with offices throughout the country, and that the FSA was better equipped to deal with the medical services of the state and local welfare departments than the compensation commission would be, Mr. Haber said:

"I should indicate quite candidly that perhaps in part we (the budget bureau) were also influenced by a factor which your committee, Mr. Chairman, may feel is not at all pertinent to the issue. Some time or other this country may want to give consideration to proposals, made many times in the past, for general disability insurance for the general population. As you are aware, such proposals have at one time or another been made by the social security board, the federal security agency and suggested by the President. It was our opinion that if such were adopted this legislation needed to be integrated with the general provisions for social insurance already prevailing."

In other words, the budget bureau viewed a national scheme of disability insurance as enough of a foregone conclusion that it should be regarded as an accomplished fact in enacting any related legislation. That confident attitude carries great significance.

### "Musts" in Insurance Coverage

Sometimes when local agents are programming a man's insurance and getting up a schedule for him they may overlook some potential loss that may be devastating and yet magnify in their own minds, as well as his, some hazards that are seemingly more apparent but not catastrophic. Frank C. Beazley of San Francisco, Pacific Coast manager of the Phoenix-Conn. group, in his address before the Fire Underwriters Association of the Pacific brought up this point. He said that to develop a sound insurance program for any business the producer must first recommend all forms of indemnity against catastrophe loss regardless of how remote the origin may be. The remoteness naturally is reflected in the premium rate that is charged for the coverage.

For example, a concern may be faced with a very large potential public liability

loss if he does nothing else.

A keen and analytical agent will be able to measure various hazards con-

fronting an individual or a concern and can give advice as to just what coverages must be purchased. There are certain "musts" so far as coverage is concerned.

## PERSONAL SIDE OF THE BUSINESS

Adam Bemus celebrates his 63rd anniversary with Eureka Security F. & M. this month. Though past 80 years of age, he is active and at his office every day. He is still secretary. When the company was operated independently he was the chief factor.

Miss Bernice A. Danek, daughter of J. L. T. Danek, well known local agent of Glencoe, Minn., was married the other day to William C. Tadsen, son of Mr. and Mrs. Nick Tadsen of Brown-ton, Minn. Mrs. Tadsen, a graduate of the University of Minnesota, has been connected with her father's agency.

Lt. Col. F. L. Dunn, son of S. A. Dunn of San Antonio, special agent of Hartford Fire's farm department, has received the Distinguished Flying Cross for his daring reconnaissance flight at a height of less than 100 feet over the airfield and seaplane base at Cagliari, Sardinia, in the face of withering anti-aircraft fire.

W. H. Lininger, retired vice-president of the Springfield F. & M. in its western department, who spends the winters at Tucson, Ariz., will return the first of the month to his home in Evanston. Mr. and Mrs. Lininger will stop enroute at Oklahoma City to visit their son, Herbert K. Lininger, who is state agent of the Springfield F. & M.

A. J. Hunecke, New York, assistant U. S. manager of Eagle Star, was in Chicago the early part of this week.

The American Red Cross News Service the other day carried a picture and story on Capt. Joseph S. Frelinghuysen, Jr., a vice-president of Stuyvesant, who is now a prisoner of war in Italy. He was captured last November while on a reconnaissance mission. Letters to his mother and to his wife were quoted in which he praised the service of the Red Cross. Captain Frelinghuysen's father, a former New Jersey senator, is the president of Stuyvesant.

One of the principal organizers of a new movement to provide for rehabilitation of disabled U. S. marine corps men, Thomas E. Wood, Cincinnati agent, has been appointed chairman of the national committee for this purpose by the Marine Corps League. He was host to over 600 guests at a Marine Corps League dinner here to discuss rehabilitation plans. Mr. Wood served in World War I as a private in the marine corps.

John E. Wilkinson, Oklahoma state agent of London & Lancashire, has entered the grandfather class. A daughter was born to Lieut. and Mrs. R. J. Delier of Barksdale Field, Shreveport, La. Mrs. Delier was formerly Barbara Wilkinson. Lieut. Delier was formerly connected with Employers Casualty in Oklahoma City.

Forest R. Fair of Mankato, vice-president of the Kansas Association of Insurance Agents, and Mrs. Fair are the parents of twin girls, who were born at Ellsworth hospital.

A. F. Bechtel, Hiawatha, Kan., local

agent, and Mrs. Bechtel have celebrated their 69th wedding anniversary. Mr. Bechtel is 93 years of age and active in business.

George G. Wright, adjuster in Milwaukee, has now retired entirely from insurance and adjusting work after 35 years continuous service.

John L. Pepper has rounded out 39 years in the supply department of St. Paul Fire & Marine and has retired on pension. When he took charge of the supply department he was the only employee in it. When he retired as head of the department Mr. Pepper had a staff of 60 under him. Herman P. May, who has been Mr. Pepper's assistant for several years, succeeds him as head of the department.

A son has been born to Irwin Mesher, executive secretary of the Washington Insurance Agents Association and arbitrator of the Surplus Line Association of Washington, and Mrs. Mesher.

In recent publicity regarding the 75th anniversary of the founding of the Wolf Insurance Agency of Fremont, O., Scott S. Wolf expressed belief that his agency was probably the oldest in the U. S. to have been managed only by a father and son. Samuel T. Brown of T. Y. Brown & Co., New York City, now claims the honor, his agency having been founded by his father 85 years ago. Harry C. Rassweiler, Naperville, Ill., is a runner-up as his father, H. H. Rassweiler, founded his agency 70 years ago.

H. H. Gaffney, president of Republic of Dallas, is in Chicago visiting the office of his company in that city this week.

W. B. Tobias, Peoria, Illinois, special agent of Hartford Fire, and Mrs. Tobias were in an automobile accident about a month ago near Bloomington, Ill. Neither was seriously injured but both were shaken up.

Vincent Gallagher, assistant U. S. manager of Pearl, who is confined to New York hospital, is making substantial improvement, but he will be required to take a rest of perhaps three months before getting back to the job.

## DEATHS

Kahler C. Pfeiffer, local agent at Ada, O., who was killed last week by a train, was an outstanding small town agent. Though still in his 30's he was well known among field men for the splendid agency he had developed by his energy and aggressive methods. Working in a town of only 2,300 and in surrounding territory, Mr. Pfeiffer had developed a large business for the 30 companies he represented.

Lawson Swan, 50, died in St. Petersburg, Fla. He was long a director of the Florida Association of Insurance Agents and president of his local board.

G. S. Greene, president of the Hannan Agency of Detroit and Hannan Real

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"I want to talk to you about a use and occupancy policy."

Estate Exchange, died after a brief illness. He had been associated with the agency 20 years and served as president and treasurer since the death of his uncle, W. H. Hannan, who founded it in 1883.

**Gustave G. Fielder**, 76, of Elyria, O., who had been in the insurance business 30 years, died after a month's illness.

**Albert B. Casey**, 65, Erie, Pa., local agent for more than 30 years, died there.

**Fire Chief Joseph W. Morgan** of St. Louis was killed in the collapse of a blazing 5-story brick building occupied by the Goodwill Industries. He was the first man in that post to be killed in action since the St. Louis fire department was organized on a full-time paid basis. Chief Morgan worked closely with the Civilian Defense organization, including the group of insurance men headed by John J. O'Toole, former president of the Insurance Board of St. Louis. Mr. O'Toole was talking to the chief less than five minutes before he was killed and narrowly escaped being caught by the falling walls.

**Sidney J. Ostroski**, well-known Spokane, Wash., agent, died from a heart attack. He was in the business many years.

**Mrs. Helen Stevens**, 80, mother of R. W. Stevens, Chicago, partner in Marshall & Stevens, valuation engineers, died suddenly in Seattle last Sunday. Mr. Stevens' father, who was killed in an automobile accident several years ago, was a newspaper man in Seattle.

**Charles A. Kline**, 77, died in Topeka. He was formerly a local agent there for several years.

**A. O. Andersen** of Chicago, general agent in the western department of Fireman's Fund, went to Saugatuck, Mich., last week to attend the funeral of **Mrs. George Trask**. Mr. Trask was for many years examiner in the department and was retired after 50 years of service.

**Charles J. Curless**, 63, local agent at Lancaster, O., died in a sanitarium in Battle Creek, Mich. He retired several years ago because of ill health.

**F. O. A. Ladner**, who had operated an agency at Nordhelm, Tex., since 1913, died there.

**Frank O. Robinson**, who for many years operated an agency at Hartington, Neb., is dead.

#### Favor Responsibility Law in Neb.

LINCOLN, NEB. — Strong opposi-

tion voiced by insurance interests to a compulsory automobile liability insurance bill resulted in the insurance committee voting to substitute for it the existing New York financial responsibility law.

#### WANT ADS

##### WANTED

Experienced payroll Auditor for Oklahoma. Address replies R-52, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

##### WANTED

Man with knowledge of Fire Insurance in office located in West Virginia. State age, experience and salary expected. Address replies to R-49, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

##### SPECIAL AGENT AVAILABLE

Special agent now employed in Florida desires change. Age 41, married, with family. High school education. 18 years experience Departmental office, Rating Bureau and General Agencies. Prefer Florida or Southeast. Address replies to R-53, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Excellent field position open on Pacific Coast for young man with proper qualifications who does not expect to be called into service. Previous field experience not required. In replying please give complete information on background and training. Replies treated in strict confidence. Box No. R-55, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

##### IOWA FIELDMAN WANTED

Good opportunity with fire company for experienced Iowa fieldman. Give draft status, age, and experience. Address R-57, The Natl. Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

##### FIELD OPENING IN OKLAHOMA

... for experienced fire insurance fieldman with production ability. Excellent opportunity for the right man. State age and qualifications. Address R-58, The Natl. Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

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LOS ANGELES



## N. Y. State Fund Suspends Six Accused in Probe

**Medical Director, Audit  
Chief, and Four Claim  
Supervisors Face Action**

NEW YORK—The State Insurance Fund has suspended its medical director, chief auditor and four supervisory employees pending investigation of charges that they received "kickbacks" from an x-ray laboratory to which they sent compensation claimants for examination. The charges resulted from the inquiry conducted by W. F. Bleakley, commissioner appointed under the Moreland act to investigate workmen's compensation abuses.

The suspended employees are Dr. J. B. Lauricella, medical director since 1936; C. N. Woolfe, head of the audit and review division for the last six years; and J. L. Dickler, F. X. Gaffney, R. M. Silverman, and Paul Holtzman, all of whom had responsible positions in the claims department.

### Cases Will be Tried

Executive Director N. W. Muller said that all except Dr. Lauricella are civil service appointees and their cases will be heard by Deputy Executive Director Carl Stephan. Mr. Muller said the fund's commissioners would decide what to do about Dr. Lauricella after hearing the evidence in the case and the doctor's reply.

Mrs. Elsie Krumm, bookkeeper of the Bendiner & Schlesinger x-ray laboratory, testified that the concern paid Dr. Lauricella 40 per cent and Mr. Woolfe 10 per cent of the fees paid for examining claimants which the fund sent. Commissioner Bleakley did not reveal the charges against the four claim supervisors.

### Total Graft 3 to 6 Million

A spokesman for the investigation estimated the graft in connection with all workmen's compensation in New York State at between \$3,000,000 and \$6,000,000. Public hearings will be resumed later this week. Commissioner Bleakley said more than 100 witnesses who have been questioned in private are still to be called for the public hearings.

William Amlung, compensation supervisor in the New York City office of Employers Liability, denied he had received any money from Dr. T. R. Freedman, who had previously testified he had given Mr. Amlung \$150. Mr. Amlung admitted, however, that he had received \$25 as a Christmas gift from Mr. Schlesinger three years ago and two \$10 gift certificates two years ago though he was not personally acquainted with Mr. Schlesinger.

Warren Green, district claims manager of American Mutual Liability, testified he had received small gifts and favors from Dr. Freedman and Mr. Schlesinger.

### Suit Over Iowa Blackout Death

CRESTON, IA.—Suit has been filed against Allied Mutual Casualty of Des Moines and W. R. Danner, Creston policeman, as a result of a fatality in the 11-state test blackout Dec. 14. The suit was brought by Mrs. Emma Graby, whose husband was killed when struck by a police car. He was serving as a volunteer warden for the local civilian defense organization. Allied Mutual is Creston's liability insurer.

## Seeks to Compose Broad Form Dispute

**N. Y. Department Wants  
Boiler, Machinery Insurers  
to Act Uniformly**

NEW YORK—Agreement on a definition of broad form boiler and machinery coverage has proved a more troublesome problem than uniformity of rates in the efforts of the New York department rating bureau to get Hartford Steam Boiler and the National Bureau of Casualty & Surety Underwriters companies together. The rating bureau will hold a conference Friday at which it is expected that the National Bureau will present its proposal for a manual. Hartford Steam Boiler has already submitted its manual and the bureau has submitted its extended coverage endorsement. The department has requested the bureau and Hartford to hold off pending agreement on a uniform basis for all insurers.

### Centers Around Word "Sudden"

Much of the difference of opinion centers around the word "sudden" in the Hartford's broad coverage in connection with bulging or burning which does not go to the point of bursting. This type of damage is due to inadequate water in the boiler or perhaps only in a particular spot where faulty design or scale formation may have kept the water away.

Opponents of this wording point out that it would be very difficult to show that such damage was sudden, since normally it could come to light only when a boiler was shut down and inspected and there would be no way of telling whether it had happened suddenly or gradually. It is contended that if this wording were applied using the word "suddenly" in its literal sense it would be possible to deny liability in practically every case of bulging or burning, while on the other hand to regard all such damage as having occurred suddenly would mean paying a great many claims that are not within the contemplated scope of the coverage and are properly matters of maintenance.

### Main Aim of Broad Form

The main aim in the broad form of coverage is to cover all cases where boilers are fired without adequate water. The bureau's broad coverage takes care of this and of the bulging of any shell, drum, or header, whether sudden or not.

The New York department is opposed to having the public offered two types of coverage, each sold as the broadest form, particularly if there is any doubt as to what type losses will be paid under either one. Another strong reason for wanting the coverage uniform is to provide the broadest basis of experience for rate making.

### No Barrier to Rate Deviations

As for rates themselves, there is no barrier in the New York law against rate deviations provided they can be justified on the basis of expenses. In fact, it is not technically necessary for a company wishing to deviate to justify its rates, since the law leaves it up to the department to prove that rates are either inadequate, excessive, or discriminatory.

The bureau companies have provided for their reinsurance needs on the peak lines through an arrangement under which all members of the National Bureau of Casualty & Surety Underwriters regardless of whether they write boiler business direct or not will take boiler reinsurance. These top facilities, it is expected, will be utilized exclusively for huge U. & O. lines.

## Producers Submit Commission Gradation Plan

Another conference between committees of the producers organizations and of the National Bureau of Casualty & Surety Underwriters was held in New York last week to discuss the question of gradation of company expenses and commissions on interstate compensation risks. The producers groups that were represented were National Association of Insurance Agents, National Association of Insurance Brokers and National Association of Casualty & Surety Agents.

The producers had all agreed to offer to accept a scheme of top commission gradation under which 17½ percent would be paid on the first \$1,000 of premium, 15 percent on the next \$4,000 and 10 percent on the balance. This is the New York scale and at the Tulsa mid-year meeting of the N.A.I.A., Chairman Ralph Howe of the casualty-surety committee said there was a possibility that the companies would accept such a scale. It would be in lieu of a proposed scale of the National Bureau under which the commissions are cut considerably more deeply. The gradation would apply to the guaranteed cost plan, retrospective rating without penalty, and retrospective rating with penalty.

The companies will now consider the proposals. Some believe they will make a counter offer to split the difference.

## Hospital Executives Oppose Federal Benefit Plan

Hospital executives are overwhelmingly opposed to the extension of the federal social security system to provide hospitalization benefits, a survey conducted by "Hospital Management" indicates. The report given in the publication's March issue shows 697 opposed to the federal government plan with only 97 favoring it. Other questions asked and the answers are:

Do you believe that the extension of voluntary hospitalization plans of the Blue Cross type will meet all requirements reasonably well? Yes—652. No—108.

Does your state or community at present pay any part of the cost of hospitalization for the indigent? Yes—717. No—104.

Do the indigent of your community receive hospitalization? Yes—824. No—1.

Do you favor the extension of the social security system to hospital employees as to old-age and survivorship benefits? Yes—623. No—149.

Would you favor some form of federal aid to the states for payment of hospital care for the indigent, in lieu of a federal hospitalization plan? Yes—520. No—263.

### Fearful of Federal Control

The survey covered hospitals of all types, including tax-supported institutions. Individuals comments indicated that many hospital executives are fearful of the consequences of federal control.

"Hospital Management" points out that the adoption of the federal payroll-deduction hospitalization plan will be fatal to the Blue Cross plans. It points out that although the social security old age benefits may have stimulated increased interest in life insurance and annuities, the analogy would not be true in case of hospitalization insurance as no one needs to be twice protected from hospital expense.

## Hartford Steam Boiler Battles to Save Precincts

**Single Line Insurer  
Only Foe of Important  
N. Y. Bill**

NEW YORK — Hartford Steam Boiler voiced the only opposition at the New York legislative hearing on the Wright bill which would permit fire companies to write virtually all risks in the steam boiler and machinery field with the exception of steam boilers and flywheels. Hartford wanted the bill amended to permit boiler insurers to write miscellaneous property insurance, such as explosion, tornado, bombardment, and insect damage if the fire companies were to be permitted to invade the boiler and machinery field.

J. Raymond Berry, general counsel of the National Board, said the bill was sponsored by the brokers' organizations and its aim is to assure complete coverage to assured, particularly war industries. C. C. Hewitt of Boit, Dalton & Church, Boston, said the measure is essential to the protection of chemical and oil plants and that though fire companies have been following the practice set forth in the bill it should be legalized so as to avert litigation should a catastrophe loss occur.

The public, he said, wants to buy a policy under which there can be no quarrel between fire and boiler companies as to percentages of liability, with the insured left out on a limb.

### Would Open Big Field

The bill would open up to the fire companies a large share of the business written by boiler and machinery departments of casualty companies. The only boiler and machinery risks which the fire companies would be barred from writing would be steam boilers and flywheels. Boiler and machinery underwriters do a large part of their business on other types of pressure vessels and rotating machinery.

Under the bill the fire companies could write generators, turbines, hot water heating plants (whether for heating water or heating the interior of buildings), refrigerating equipment, air tanks, containers for all types of gases, vessels equipped with steam jackets or steam coils, and all piping used for such equipment.

### Inspection a Problem

Casualty underwriters point out that fire companies are not equipped to give the inspection service that customarily goes with pressure vessel and machinery insurance, nor can they furnish personal liability insurance for injuries done by insured equipment giving way, although this additional protection could be had separately from a casualty company through an extension of general liability insurance.

Another logical result of fire companies taking risks now covered by casualty companies, leaving the latter only the steam boiler and flywheel coverages as their exclusive province, would be the necessity of charging of higher rates, since the inspection cost would not be spread over the other vessels and equipment which would normally be insured along with the boilers and flywheels. Also, many states require that certain

(CONTINUED ON PAGE 20)

## Payroll Audit Work Subject to Many Changes Due to War

NEW YORK—Payroll audit departments of casualty companies have had many problems as a result of the personnel shortage and travel restrictions caused by the war. At least two states, New York and Pennsylvania, have recognized them by loosening their payroll audit requirements. In New York, an audit is now required at least once a year only when a premium of \$500 or more is developed. If the premium is less, an audit is required only on new business at the end of the first year and thereafter every three years. A signed payroll statement made by the employer is acceptable when the premium is close to the minimum and where an audit is impracticable. Pennsylvania requires an audit annually only when the premium is \$300 or more. If the premium is \$100 or more, the audit need be made only at three year intervals. If the premium is less than \$100, audit is left to the discretion of the carrier and an employer's report is acceptable.

### More Risks on Reporting Basis

To meet the personnel shortage among payroll auditors, companies have had to hire women and older men and establish correspondence units. Some companies are using accounting firms to handle part of their audit work. Wage statements by employers are being used more extensively when the risk is a smaller one and in an isolated location. Payroll auditors generally have been able to get only A gas ration cards, making the transportation problem difficult. There have always been a certain amount of risks on a reporting basis and this number is increasing, but some risks can't be placed on this basis readily such as when tips and meals enter into compensation, for example.

Women have replaced men satisfactorily in home office work verifying classifications and rates, preparing risks for billing, etc., but experience with them in the field as auditors appears to be mixed. It is difficult to get women interested in work which compels them to inspect the books of all types of risks wherever they may be and be ready to travel at all hours.

It requires a great real more time to audit risks today than it did in the past. A risk that it was formerly possible for an auditor to handle in 45 minutes may now take three or four hours. There is a heavy turnover of employees and often inexperienced help of the insured delays the auditor in going over the books. They may be unfamiliar with the work and cause the auditor to spend considerable time in familiarizing them with the type of information he needs. War work may have caused such a tremendous expansion in the plant that the bookkeeping department simply has been unable to keep up with it. When such an expansion occurs, it pays the manufacturer to call in an experienced accountant for recommendations because often the bookkeeping has been set up for a particular situation and the system will not work with the conversion and expansion resulting from war orders.

### Audit Is Often Difficult

One of the companies writing a large volume of compensation premiums always refers to its payroll audit department as "audit" department. The cards of its payroll auditors simply say "auditor," the reason being that it has found the insured will furnish only the regular payroll books when he associates only his "payroll" with the audit. Frequently there are salary arrangements which are kept confidential and do not appear on the regular payroll because it is desired to keep the information from being circulated around the office. A good foreman may be on the regular payroll with other foremen at \$60 a week, but he may receive \$35 more from a special account

or cash book about which the ordinary bookkeeping staff knows nothing. Often bonuses are kept in a separate account. It is said that a good payroll auditor overlooks \$5,000 of annual payroll and one not as good might overlook \$25,000 or more. When one company insured a risk that recently had been carried by another company an additional payroll of \$330,000 was discovered on which the insured had not been paying premiums.

The social security and unemployment records that employers are required to keep since the passage of the social security act have aided payroll auditors because they have compelled the employer to keep his payroll records in a more complete and systematic manner. However, some payroll audit departments fear that if a 20 per cent withholding tax goes into effect, there may be strong temptation to make up fake contracts under which it would appear that the employee is an independent contractor, not to avoid the small compensation premium but to avoid the payment of a heavy unemployment tax.

### Laying Up Cars for Duration May Be Costly

Manager G. V. Catuna of the Travelers in Brooklyn in its house organ decries the decision of some automobile owners to lay their cars up during the duration, blocking the ignition, closing the garage doors until the war ends. He states that such a method is short-sighted and expensive. The mechanism is delicate and costly and is maltreated, as he says, when it is laid up in this way. The entire car will deteriorate at a rate not realized by any but the well informed mechanic. The minimum requirements for laying up a car so that it will be damaged the least involve much expense and effort.

It will be far more sensible for an owner to keep his car going even if he does not use it but once a week. Deterioration cannot be prevented. Thus electrolytic action, decomposition and disintegration work constantly and fast, according to Mr. Catuna. It is uneconomical, he says, to lay a car up even for a short period. A car should be kept in good condition and used from time to time in order to prevent the very causes of decay that present themselves when it is laid up.

Have you neglected to solicit women for accident insurance? They know the value of money and they know how expensive are bills for doctor, hospital, medical and surgical expense. They will

### Wartime Advertising Aids to Agents

Standard Accident has mailed to its agents a special wartime edition of its



R. J. Walker

catalog of advertising and sales helps, which was first made available to agents in 1940. It is a guide to increased sales through advertising. It contains many suggestions for developing business in wartime through the use of the various forms of advertising, and particularly direct mail. Listed in the catalog are more than 100 separate pieces of direct mail including folders, inserts, blotters, self-mailers and other forms.

One page of the catalog illustrates and describes the new survey forms. Another illustrates company advertising signs. Another describes literature racks and poster displays. One page is devoted to production pointers for 1943.

R. J. Walker is the advertising manager.

### May Abolish Government Defense in Michigan

LANSING, MICH.—Both houses of the Michigan legislature have gone on record in support of a bill to abolish the defense of governmental function for state-owned automobiles involved in accidents with private citizens. The house passed a bill which would permit the state court of claims to entertain claims against the state based on negligent operation of state cars. An amendment may be offered to make the act more inclusive, possibly making actionable cases in which state employees, driving their own cars on state business, are concerned in accidents. In the past the court of claims has repeatedly rejected claims on the basis of the common law rule of governmental function.

### Williams to American Auto in K. C.

Donald C. Williams, for eight years adjuster with the Fire Companies Adjustment Bureau in New Orleans, has resigned to become casualty supervisor of American Automobile in Kansas City. Before joining the bureau he was with the claim office of Maryland Casualty in New Orleans.

recognize the logic of investing a modest annual amount for accident insurance.

## Michigan Auto Bill Makes Progress

LANSING, MICH.—The Michigan legislature is expected to amend the autoists' financial responsibility law to correspond roughly with the New York model, the senate already having passed the measure and the house insurance committee having reported it for final action during the coming week, last of the session.

Driving privileges of uninsured motorists involved in bodily injury accidents would be suspended unless security to cover any liability arising from the accident were posted.

### Seattle General Agency Warns of War Work Hazard

SEATTLE—To encourage the sale of liability insurance to volunteer war workers, the Stuart G. Thompson-Elwell Co., general agency here, has secured a legal opinion to the effect that a volunteer war worker is no different from any civilian, is liable for injuries caused by his negligence and that, under the principle of government immunity, the city, county, state and federal governments would not be liable for this negligence.

The agency points out that a liability policy covering war work only can be secured at a \$5 minimum premium, but that the best procedure is to sell the comprehensive personal liability policy, which covers all liability except from business activities.

### Commercial Indemnity President Resigns

Ralph J. Daly has resigned as president of Commercial Indemnity of Indianapolis and will become affiliated with Skinner Purifiers at Detroit, which is manufacturing war materials. Mr. Daly is a graduate electrical engineer from the University of Michigan and is a certified public accountant. For three years he was on the engineering faculty of the University of Pennsylvania. He will devote his time with the Detroit concern on engineering and executive duties.

Commercial Indemnity was organized in 1939 under Mr. Daly's supervision. It writes full coverage automobile insurance and fidelity and surety bonds. Mr. Daly will remain on the board.

### Burt Reappointed: Bills Signed

PIERRE, S. D. — George Burt has been reappointed insurance commissioner of South Dakota by Governor Sharpe. The legislature has raised the commissioner's salary from \$3,000 to \$3,600 per year.

Governor Sharpe has signed bills permitting insurance companies to invest in stocks; prescribing methods by which domestic mutuals may extend their corporate existence; and creating a uniform liquidation act. Duties of the security commission have been transferred to the insurance department by another measure. The insurance commissioner has been authorized to revoke licenses of insurers doing business outside authorized jurisdictions.

R. B. Stephens, 90, one of the pioneer insurance men of Los Angeles, died at Good Samaritan Hospital, Los Angeles after a brief illness. He was one of the organizers of the Insurance Exchange of Los Angeles, and was its first president. He was largely responsible for the formation of the exchange, which brought about the end of a rate war in 1893. The agency bearing his name still is active in the business, although he has not been active for the past year.

When requesting a chart of financial and business figures on the companies, be sure to ask for the **Argus Chart**—it contains much more information.

## 1942 Casualty Leaders in Pennsylvania

	1942	1941	1940	1939
1. Pa. Mfrs. Assn.....	\$9,419,673	\$8,056,337	\$7,935,540	\$7,488,162
2. Travelers .....	4,437,249	3,987,507	3,575,478	3,766,693
Travelers Indem. ....	1,303,730	1,216,239	733,775	712,512
3. Liberty Mutual .....	4,048,420	3,398,139	3,102,707	3,112,501
4. Indem. of N. Am. ....	3,479,579	2,843,252	2,715,192	2,396,506
5. State W. C. Fund .....	3,472,268	3,465,743	3,316,499	4,739,436
6. Metropolitan Life .....	3,163,595	2,943,869	2,521,850	2,160,881
7. Pa. Thr. & Farm. ....	3,056,848	2,850,586	2,361,550	2,559,216
8. Aetna Casualty .....	2,616,266	2,919,745	2,343,429	2,411,294
Aetna Life .....	1,465,403	1,209,171	929,903	763,010
9. Equitable Society .....	2,604,116	1,451,175	1,052,607	754,972
10. Hartford Acc. ....	2,483,822	2,279,619	2,057,853	2,278,310
11. U. S. F. & G. ....	2,464,769	2,449,089	2,452,837	2,278,310
12. Farm Bur. Mut., O. ....	2,223,369	1,991,739	1,539,423	1,696,944
13. Maryland Cas. ....	2,120,833	2,192,303	2,063,099	2,131,628
14. Continental Cas. ....	1,983,870	1,996,308	1,899,291	1,791,954
National Cas. ....	296,532	370,839	277,678	212,930
Continental Assur. ....	4,280	3,999	3,245	3,252
15. Lumbermen's Mut. Cas., Ill. ....	1,967,091	2,023,984	1,808,508	1,770,229
American Motorists .....	309,642	233,829	151,748	158,894
16. Employers Liab. ....	1,939,904	1,839,960	1,877,154	1,714,554
American Employ. ....	711,374	655,341	436,824	363,197
17. New Amsterdam Cas. ....	1,805,796	1,786,941	1,707,716	1,736,482
U. S. Casualty .....	537,294	527,350	503,512	564,421



## Statisticians Eye Current Problems

### Tax Statement Blank, 48 Hour Week Reviewed at Annual Meeting

Real progress has been made toward the adoption of a uniform tax statement blank by the great majority of states and it is hoped that at least half of them will adopt it for this year, Secretary C. G. van der Feen reported at the annual meeting of the Association of Casualty & Surety Accountants & Statisticians in New York City last week. He also reported further progress in respect to simplified plans for coding procedures and calls for experience have also been simplified during the war emergency. With the exception of workmen's compensation and automobile requirements in Massachusetts and Virginia, filing requirements of insurance departments and rate making authorities have been eased for the duration.

There was a discussion of present and potential problems including wage and salary rate adjustments which confront the insurance industry in regard to the 48 hour work week. Baltimore, Hartford and Detroit are already on this basis and while the government has not yet issued full regulations, there is no doubt that they will affect insurance as well as all other businesses.

The recommendations of the annual statement committee for changes in the 1943 convention blanks were approved and will be submitted to the insurance commissioners at their next meeting. The changes include all of the simplifications in investment and tax schedules which were adopted by the commissioners last December, and in addition recommendation was made that the blank have a provision on page 7 to provide for special reserves for the return premium under the rate credit or retrospective rating plans.

T. F. Tarbell, Travelers, was re-elected president for the second year; H. O. Van Tuyl, London Guarantee, continues as vice-president and Mr. van der Feen as secretary-treasurer.

## Await Decision on N. Y. Post

Twin bills have been introduced in both houses of the New York legislature by the rules committee giving the governor authority to appoint department heads without the consent of the senate until Jan. 1, 1944. At present, the governor must obtain such consent and the legislature is expected to adjourn the end of this week. Therefore, unless the bills are passed, any incumbents presently in office, such as in the insurance department, would hold over until the next legislature meets. It is possible that the office of superintendent of insurance may be filled this week, but on the other hand, it may be held over. The assembly bill has passed the second and third readings.

### Striking Illustration of Personal Liability Cover

A policyholder of Travelers brought a comprehensive personal liability policy Feb. 12. Two days after it was written he was riding in a taxicab in New York City when he accidentally dropped a lighted cigarette on a camel hair overcoat worn by another passenger in the cab, residing in Brooklyn. There was a burn 1½ inches long and one inch wide. This was covered under his policy.

## Malpractice Cover Needed by Doctors in Army, Navy

Physicians, surgeons and dentists entering military or naval service should be urged by brokers and agents to maintain their malpractice liability insurance in force, according to casualty men. If they have dropped it because they think their government positions protect them from personal liability for their official acts, they should be told that they are mistaken.

The American Medical Association secured an opinion some time ago from the judge advocate general of the army, the effect of which is that a medical man in the military service is personally liable for any acts of negligence in operating on or treating men in the service, just as if he were in private practice.

### Soldier Has Civil Rights

The opinion, which was rendered in answer to an inquiry from J. W. Holloway, Jr., chief of the A. M. A. bureau of legal medicine and legislation, was digested in the "Journal" of that association, which pointed out that a claim charging malpractice in treating or examining a person in line of duty might be made by a person in military service against an officer of the medical corps or by a selectee against an examining physician for a local selective service board. The fact that a person is in military service or in course of being inducted does not prevent him from asserting his civil rights as long as the interests of the service or of national defense are not concerned.

Army and navy doctors commonly treat families of officers and soldiers. They frequently are the only physicians available. Such service, however, falls under private practice and is not covered by their duties.

Officials of the A. M. A. and liability underwriters say undoubtedly many doctors dropped their malpractice liability coverage when entering service under the impression they were protected by their government position.

### Only One Case on Record

Although claims easily could be pressed, according to Mr. Holloway, he is informed in the entire history of the army only one such case has been found and this was wound up without financial loss to the physician. Then, too, the A. M. A. "Journal" pointed out if a malpractice claim was pressed against an army medical officer or examining physician without doubt the U. S. attorney general would provide defense for the defendant. A communication to the A. M. A. from the judge advocate general of the army states that in the past the war department has not undertaken defense of a civil suit for malpractice brought against a member of the medical corps but a medical officer has had the right to have the case removed to a federal court and to be defended by a U. S. attorney designated by the department of justice. However there is no law provision by which judgment could be paid by the government or the defendant physician reimbursed by the government in case he should lose such an action.

### Special Cover Obtainable

Physicians, surgeons and dentists malpractice is not sold by many companies, being considered a hazardous or special line. It is possible for doctors, surgeons and dentists entering military service to secure for a premium of \$10 coverage in \$5,000/\$15,000 limits protecting against malpractice liability for service on armed forces and incidental practice on civilians, as compared to a regular rate of about \$30 minimum for comparable coverage when the physician is in civilian practice. The \$10 army rate

## A. J. Lilly Is General Counsel of Md. Casualty



AUSTIN J. LILLY

BALTIMORE—Austin J. Lilly has been elected general counsel of Maryland Casualty. He succeeds in this capacity Edward G. Lowry, Jr., who continues as senior vice-president.

Mr. Lilly has served as assistant general counsel since 1934. He has been with the company since 1910 when he joined the claim division, three years in charge of the Charlotte, N. C., claim division.

In 1915 he went to the home office as a member of the legal staff and spent most of his time working on problems created by workmen's compensation insurance, which had just come into force in the U. S.

Mr. Lilly has been active in matters affecting the interests of the casualty and surety business as a whole. During the past 20 years he has served on law committees of the Association of Casualty & Surety Executives, National Bureau of Casualty & Surety Underwriters, and Bureau of Personal Accident & Health Underwriters, and has been a member of the standing committee on automobile financial responsibility laws of the executives association. He has been actively interested in the growth and development of compulsory automobile insurance and financial responsibility laws, and has written and lectured on the subject.

### Preferred Acci., Protective Indem. Open Newark Office

Preferred Accident and Protective Indemnity will open a branch service office April 1 in Newark, in the Newark National Building, 744 Broad Street, to handle the northern New Jersey business.

D. G. Miller, New Jersey fieldman, will manage the new office, which will provide closer association with present agents and brokers and introduce the facilities of the two companies to others.

### Johnson Oklahoma President

OKLAHOMA CITY—At the annual meeting of the Oklahoma Accident & Health Association, these officers were elected: President, J. Bryan Johnson, Business Men's Assurance; vice-president, Malcolm C. White, Pacific Mutual Life; treasurer, John P. Harris, Mutual Benefit Health & Accident; secretary, Francis V. Harper, Pacific Mutual.

### Raid Alarm Stimulates P. G. Cover

NEW YORK—The air raid alarm which roused New Yorkers at 5 a. m., Tuesday, resulted in several calls from out of state companies requesting their plate glass policies to be reinsured by the War Damage Corporation.

requires that the physician not continue his civilian practice nor have it continued by any assistant, substitutes, etc.

## Growing Demand for Burglary Cover

### War Time Conditions Attract Thieves Who Take Advantage of Times

Companies writing burglary insurance are aware of the fact that there is an increasing market for this coverage due to the unusual situation. Stores, warehouses and homes have increasingly attractive articles which are easy to steal and very easy to dispose of. Ordinary merchandise now will command a good price and there is plenty of demand for it. Many foodstuffs in a house are taken these days, butter, meat, canned goods, bicycles, lawn mowers, metal goods of any kind, paints, screens, in fact, anything that is difficult to secure.

### Hardware Merchants Good Prospects

Hardware merchants are excellent prospects. It is found that thieves steal nails or any metal articles. The articles that thieves will steal now are many and varied.

Black markets are springing up in every direction to take on stolen goods. The officials notice an increase in the number of younger thieves. The crime hazard has increased in Canada and Great Britain as well as in this country. Police forces are undermanned as many have gone into the armed forces and war industries. Thefts of auto accessories and bicycles have increased 30%. Agents are selling for the most part all-risk burglary policies.

### Cal. Bill Prohibits Ins. Dept. Men from Joining Reorganized Companies

LOS ANGELES—A bill has been filed in the California assembly to prohibit the commissioner and other members of the state insurance department from becoming officers, directors of companies which they help mutualize, merge or reinsure until five years after the reorganization is effected. It is reported that the bill has been introduced because of rumors that Commissioner Caminetti may join Guaranty Union, when the consolidation of the four chapter 9 companies finally goes into effect. The constitutionality of the measure has been questioned.

### Push Responsibility Measure in Oklahoma

Harry L. Atkinson, an Oklahoma City lawyer who represents a large number of insurance companies in subrogation claims, is taking the leadership in promoting passage in Oklahoma of a financial responsibility bill. Oklahoma is one of 14 states that has no such law.

Mr. Atkinson has gotten out considerable literature to create favorable sentiment for the bill and has been active in other ways in promoting it. He states that no definite opposition has developed to the measure and it has been at the top of the house calendar.

The bill provides for assumption of the registration certificate and plates of the owner and automobile and driver's license of the operator following an accident, causing personal injury or property damage exceeding \$100, if uninsured, unless the commissioner finds that the operator is free from fault and probably would not be held legally liable for damages.

Lew H. Webb, of Conkling Price & Webb, Chicago, has returned from his vacation in Pasadena. He had expected to get back in time to attend the meeting of the producers with the National Bureau in New York, but because of inability to get transportation, he was unable to make it.

## ACCIDENT AND HEALTH

### Industrial Group's Annual Meet, May 26, to Be Abbreviated

The annual convention of the Industrial Insurers Conference will consist of a one day business session in Atlanta at the Henry Grady hotel, May 26. There will be no formal program and no assigned addresses. The day will be devoted to round table discussions by members. The convention will be in the nature of an executive session of the conference and the executive committee.

A Man Power Committee has been named by President F. F. Leith of the conference to work with similar committees of the American Life Convention, Life Presidents and National Association of Life Underwriters. The committee is composed of C. A. Craig, National Life & Accident, chairman; A. J. McAndless, Lincoln National Life; T. J. Mohan, Eureka-Maryland; Henry A. Bartholomew, Continental Life; F. M. Nettleship, Equitable Life of Washington, D. C., and A. F. Canfield, Peoples Life of Washington.

### National A. & H. Association Convention Dates Changed; New Pittsburgh Officers

PITTSBURGH—Because of a conflict in hotel reservations for June 7-8, the dates originally set, the annual meeting of the National Association of Accident & Health Underwriters in Pittsburgh has been changed to June 10-11. The Roosevelt Hotel was selected as the official headquarters for the convention.

The change in dates eliminated a conflict with the annual meeting of the National Association of Insurance Commissioners, which is to be held in Boston June 6-8. A number of company men were desirous of attending both meetings.

#### Schewe Pittsburgh President

At the March meeting of the Pittsburgh Association of Accident & Health Underwriters, which will be host to the National association at the annual meeting, new officers were elected. Harold P. Schewe, manager of Massachusetts Indemnity, was elected president, succeeding Ross F. Roberts, Loyal Protective Life. Thomas P. Hopkins, Provident Life & Accident, becomes vice-president; James Robertson, Columbian National Life, secretary, and Harvey Fouse, Industrial Life, treasurer.

Homer Bisch, National Casualty, Toledo, first vice-president of the National association, met with the Pittsburgh association to assist in the further formulation of plans for the national convention.

### Loyal Protective Life Has "Packet" Combination

Loyal Protective Life has announced a new "cover-all" plan, which combines in one packet a non-cancellable and guaranteed renewable accident and sickness policy and participating life insurance.

The basis of the plan is to provide a total amount of monthly indemnity equal to the amount of life insurance. Thus, if the amount of life insurance is \$5,000, \$100 monthly indemnity is payable for 50 months, or \$50 monthly indemnity for 100 months. In addition, accident indemnity may be provided for life, and hospital and surgical benefits may be included. The plan is flexible and various combinations of benefits are available.

The "non-can" accident and sickness contract is non-aggregate and non-ratifying for change of occupation. It has an incontestable clause and provides for

31 days of grace. House confinement is not required and the policy has been simplified by omission of all frills and the usual restrictions.

### Non-Cancellable Provision Passed by Mich. Senate

LANSING, MICH.—The Michigan senate has passed the DeLano bill which would make all health and accident policies in force for more than 10 years non-cancellable. Under the measure, such contracts might be canceled by insurers only for actual failure to maintain premium payments. It covers both cancellation and reduction in the amount of benefits. An amendment was inserted exempting from application of the proposed act group health and accident written in connection with group life.

The legislature will adjourn this week.

### Discuss Prospecting Plans

"Pros and Cons of Prospecting and Soliciting Methods" will be discussed at the luncheon meeting of the Accident & Health Underwriters of Milwaukee Fri-

day. Discussing prospecting systems that fit every selling personality will be E. G. Malone, Time; Gilbert Diehl, Business Men's Assurance, and Stanley Olynick, Washington National. John A. Keelan, vice-president of Time, will discuss the Beveridge plan in England and proposals advanced in this country.

### Inter-Ocean Passes Million Mark

Its latest statement shows Inter-Ocean Casualty has passed the million dollar mark in assets, which now total \$1,056,729. It reports an increase in premium volume of 10% and a reduction in losses of 2% in 1942.

### Manzelmann in Jacksonville

George F. Manzelmann, president of North American Accident, addressed the Jacksonville (Fla.) Association of Accident & Health Underwriters on the part American insurance companies will play in the post-war world and described the growth and development of the American system of voluntary insurance.

New officers, headed by C. E. Waller, Professional Insurance Corporation, as president, were installed.

W. R. Rosenberg, Reliance Life, is vice-president; A. N. Burton, Pennsylvania Casualty, secretary, and W. H. Riggie, Mutual Benefit Health & Acci-

dent, treasurer. Ben W. Balay, Inter-Ocean Casualty, retiring president, becomes chairman of the board.

### Neale to National Casualty

LOS ANGELES—George Neale, well known in the accident and health field, is becoming accident and health manager in Los Angeles of National Casualty. He succeeds Earl McGary, manager for a number of years, who now is retiring.

Mr. Neale entered the insurance business in San Diego in 1923 and came to Los Angeles in 1934 to take charge of the accident and health department of W. I. Hollingsworth & Co. Since late in 1940 he has been special agent for W. E. Leiby, state manager of Massachusetts Indemnity.

### To Address N. Y. A. & H. Club


NEW YORK—Dr. H. H. Unger and Dr. W. H. Miller will speak on "Medical Problems of Accident & Health Underwriting" at the April 1 meeting of the New York City Accident & Health Club at Hotel George Washington.

### Hear Radio Man in Salt Lake City

SALT LAKE CITY—R. W. Hardy, traffic manager of KSL radio station,

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2	44	returns
1	22	door
2	76	fronts
2	44	returns
1	22	door
4	62	fronts
4	44	returns
2	22	doors
1	124	front on Orangelawn
1	42	return
1	22	door
1	43	return
1	87	front
1	86	"
2	72	returns
2	44	door
1	22	door

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The above illustration is embodied in an attractive circular. A supply may be had by applying to the Home Office or nearest Branch Office.

## The Preferred Accident Insurance Company of New York.

80 MAIDEN LANE, NEW YORK

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spoke on "Our Responsibilities as Americans Today" at the March luncheon meeting of the Salt Lake Accident & Health Club. The program was sponsored by Mrs. Olive Milner, general agent of National Casualty.

F. W. Bland, Pacific Coast manager of THE NATIONAL UNDERWRITER, was a special guest.

#### Talk on Heart Impairments

At the March meeting of the Boston Accident & Health Association Dr. Hugh W. Crawford, medical director of Columbian National Life, spoke on heart impairments, with relation to underwriting or continuance of accident and health insurance. He gave demonstrations of the use of the stethoscope, cardiographs and the taking of blood pressure.

The Nebraska legislature's insurance committee has killed a measure to regulate salaries of domestic assessment association officers.

## COMPENSATION

### Broader Florida Law Is Proposed

TAMPA, FLA. — Chairman Boyce Williams of the Florida industrial commission is holding a series of discussions in various cities on proposed extensions of the workmen's compensation laws. At the session here, Richard H. Simpson, speaker of the Florida house, stated, "the legislators are interested in protecting the workmen." E. T. Lay advised resistance to federalizing compensation, speaking as a member of the manufacturing group. It was also suggested that the number of employees covered be reduced from the present eight to four, to increase the extent of the law.

Five changes in the present law are being considered:

Increase compensation from \$18 to \$25 a week.

Raise the present limit on medical attention from \$1,000 to no limit.

Provide coverage for occupational diseases, whereas now only accidents are included.

Amend the law to require disability payments for the entire period instead of for the time attributable to the accident.

Limit compensation to actual amount received, placing the beneficiary in the same category as the workman.

The legislature meets April 1.

### Broader Benefits Likely in Mich.

LANSING, MICH.—With the Michigan legislature scheduled to adjourn March 26, it appears a virtual certainty that a liberalized workmen's compensation act will be enacted. Already passed by the senate, the bill has emerged from committee in the lower house and is believed certain to gain approval.

Major provisions of the bill are: The law is made compulsory instead of elective for all employers of more than eight persons except those hiring farm, domestic or casual labor. The occupational disease provisions are made all-inclusive as to occupational ailments instead of limiting benefits to a relatively few disabling maladies as under the present law. Weekly benefits are increased from a maximum of \$18 to \$21 and minimum from \$7 to \$10. Payments are extended from maximum of 300 to 500 weeks in disability cases and 300 to 400 weeks for death cases.

The house labor committee added a number of amendments, most of them minor in character. One would permit persons seeking employment, 40 years of age or older and having hernias, to waive compensation rights arising from

such hernias, with permission of the compensation commission, thus facilitating their employment. The bill already contains similar provisions for chronic silicosis sufferers to prevent them from being debarred from employment.

The act makes compensation payable the 14th day after injury and a number of provisions are included designed to speed payment.

#### Question Baseball Payment

LINCOLN, NEB.—Attorney-general Johnson has asked the supreme court to overturn a ruling of the state compensation court that a member of the state national guard injured while playing baseball at the annual encampment of the guard is entitled to compensation. Stanley Lind suffered a permanent partial disability of one hand from trying to halt a hot grounder while playing shortstop on one of the guard teams. The compensation court said that as athletics is a part of the training of national guardsmen, the injury arose out of and in the course of his employment. The attorney general says there is no warrant in law for such a holding.

#### Mont. State Fund Gets Hard Jolt

HELENA, MONT.—The Montana state fund is faced with a loss of close to \$500,000 as a result of an explosion which trapped some 74 miners in the Smith mine of the Montana Coal & Iron Company near Red Lodge.

According to J. Burke Clements, chairman of the Montana industrial board, the losses will be paid promptly and the fund will not be impaired.

#### Eye Costs in California

SAN FRANCISCO—If some 24 bills designed to change the California workmen's compensation insurance act and labor code are adopted, compensation costs to employers will be increased more than 50 percent, according to the compensation insurance committee of the California Chamber of Commerce,

which has called upon its membership to register protests against these proposals. Eugene Battles, well known local agent of Los Angeles, is vice-chairman of the committee.

The Washington legislature has passed a bill permitting the use of the War Department's rating plan for workmen's compensation coverage written under the monopolistic fund.

## CHANGES

### Warren to General Acc. Head Office

John B. Warren, branch manager of General Accident at Columbus, O., has been promoted to assistant superintendent of the compensation and liability division at the United States head office in Philadelphia. He has been one of the best known casualty men in Columbus, president of the Casualty & Surety Field Club of Ohio the past year and has made a splendid record as manager.

### Maryland Casualty Promotions

David C. Seager, appointed manager of Maryland Casualty in Buffalo to succeed the late Joseph A. Hoen, has been for 14 years assistant resident manager in San Francisco.

A native of Boston, Mr. Seager was graduated from Harvard in 1920 and went with Maryland Casualty in 1928 in San Francisco. For many years he has been prominent in insurance organization work on the Pacific Coast. He was a member of the classification and rating committee of the California Inspection Rating Bureau, and of the Pacific

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Coast advisory committee of the National Bureau of Casualty & Surety Underwriters.

#### Two Others Promoted

R. J. Moore has been appointed manager of the casualty department in Buffalo, and J. G. Bauernschmidt, manager of the bonding department. Mr. Moore has been casualty underwriter there since 1932. Mr. Bauernschmidt for six years has been assistant bonding manager in Philadelphia.

#### Pratt Named A. & C. Boston Manager

BOSTON—Howard Pratt, for the past nine years manager of the public liability department of Preferred Accident in Boston, which he organized, has been appointed Boston manager of Accident & Casualty. Mr. Pratt, a native of Bridgewater, Mass., entered the U. S. head office of the Employers Liability in 1912 and worked his way up until he was underwriter of all lines written by Employers. He was with the company continuously for nearly 25 years, except for two years overseas in the former war.

#### Mugge to American Automobile

LOS ANGELES—F. H. Mugge has been appointed safety engineer of American Automobile in Los Angeles. He graduated from the mechanical engineering school of Leland Stanford University in 1921 and for eight years he has been with Lumbermen's Mutual in southern California. Before that he was for a number of years with other insurance companies.

#### Vincent Brown Promoted

Vincent G. Brown has been made special agent in charge of the Cleveland service office of Hartford Accident. He

was formerly in charge of the Erie office. Before that he traveled western Pennsylvania, Ohio and West Virginia out of Pittsburgh.

#### Object to Responsibility Act

HARTFORD—At a legislative hearing the Connecticut Automotive Trades Association and other automobile dealers opposed the automobile financial responsibility measure backed by Edwin S. Cowles, Jr., president Connecticut Association of Insurance Agents. J. Walter Darley, deputy motor vehicle commissioner reported his department was neutral.

## SURETY

### Fidelity Line Booms Today

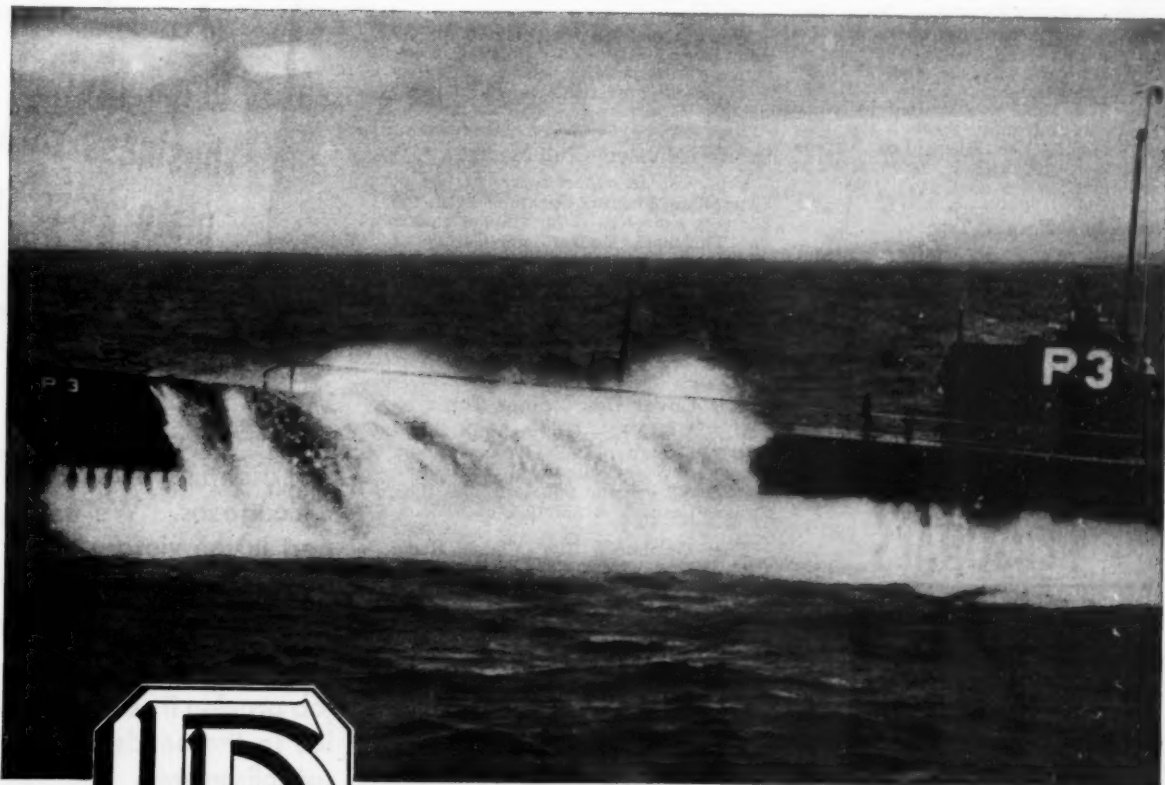
The fidelity line this year is showing unusual vitality. It is one of the most salable of insurance items today and the fact that it is being sold so extensively keeps the spirits of surety departments up even though the contract bond line has gone into a tailspin.

A number of employers have actually gone out to buy fidelity insurance lately without being solicited. They are impressed with the dishonesty hazard that they face when they look out over their staff and see so many new faces. They feel that they do not know their organization; they have hired types of men and women that they would not hire under ordinary circumstances and they are alarmed.

As a matter of fact, employers in the past with a seasoned staff have probably been too complacent and today with rapid turnover of help they may be unduly alarmed but the fact remains

# Protection

## THAT GOES BENEATH THE SURFACE



Official U. S. Navy Photograph



FIDELITY AND SURETY BONDS • BURGLARY,  
ROBBERY, FORGERY AND GLASS INSURANCE

## FIDELITY AND DEPOSIT COMPANY

O F M A R Y L A N D , B A L T I M O R E

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

## WANT ADS

#### ADJUSTER - ATTORNEY

Eighteen years experience as adjuster and trial attorney in all casualty lines. Desires new connection with top-notch company at meritorious salary. Address replies to R-54, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### OPPORTUNITY FOR

Agency man who knows monthly premium Accident and Health Business. With leading company in the field. Married, over age 38. Answer in complete confidence, giving age, experience. Address R-51, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### WANTED

Compensation and Liability insurance underwriter. Good opportunity—Home Office large Middle West Casualty Company. Inquiries confidential. Address replies R-56, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

#### WANTED

Special Agent to cover Eastern Ohio. The Shelby Mutual Casualty Company, Shelby, Ohio

that it is easier to sell fidelity insurance to an employer with a new staff than to an employer with a seasoned organization and the agent has a remarkable opportunity today to put new fidelity business on his books. Even though it is very frequently the old and trusted employees who know the ways of the office that cause dishonesty losses and the newcomer is less to be feared, yet today when older people are being hired in such large numbers there is probably an unusually high chance of getting a dishonest person who has learned a lot of tricks over the years and is equipped to go into action at his new place of employment in rather short order.

#### Judge Urges Corporate Surety

MILWAUKEE—Advocating corporate bonding for executors, administrators and others connected with wills and estates, County Judge Sheridan expressed disapproval of personal sureties in addressing the Wisconsin Safety Deposit Association.

When he became a county court judge, Judge Sheridan said, about half of the bondsmen for executors and administrators were individuals, frequently neighbors of the testator. Sometimes they had to make good losses which the estate sustained through the fault of the executor or administrator. Now most of the bondsmen are surety companies. They are better qualified to judge the risk, he said.

#### Big Coast Housing Bond

LOS ANGELES—Myers Bros., Los Angeles contractors, have been awarded the contract for a housing project at Spokane, Wash., by the Federal Housing Administration, at a price of \$1,700,000. The bond was written by Great American Indemnity through the office of Wren & Van Allen, Los Angeles general agents, with U. S. F. & G. as co-surety.

#### Travelers Names Two

Travelers has named Robert C. Reeder, Jr., assistant manager of fidelity and surety lines in Newark. Mr. Reeder is a graduate of the University of Maryland.

Paul E. Menoher has been named fidelity and surety field assistant in the Travelers branch office at Atlanta. Mr. Menoher was born in Clearfield, Pa., and attended Simpson College. Both Mr. Reeder and Mr. Menoher have had wide experience in the fidelity and surety field.

## PERSONALS

Harry Houlihan, first vice-president of Royal Indemnity, has returned to the home office after a visit of about three weeks on the Pacific Coast. He stopped at Chicago enroute east.

Miss Verne Hellman of New York was married to Lieut. Robert H. Van Beynum. Lieut. Van Beynum is the son of C. W. Van Beynum, advertising manager Travelers, and served on the editorial staff of THE NATIONAL UNDERWRITER before joining the army in 1941. He is a first lieutenant in the heavy bombardment group of the air force.

Blésch Malmstone, brother of T. O. Malmstone, production manager Standard Accident, Chicago, was awarded a distinguished service cross. He is an air corps pilot based on New Guinea.

Wade Fetzner, president of W. A. Alexander & Co., Chicago, who is at Miami Beach, Fla., having been there since February, will return to his office within the next two weeks.

George K. Haycock, assistant treasurer of Lumbermen's Mutual Casualty and American Motorists, died at Woodlawn Hospital, Chicago. His home was at Arlington Heights, Ill. Mr. Haycock was born in Lawrence, Mass., in 1899. He attended Boston University and the

## ASSOCIATIONS

#### Hodge D. Young Heads

##### N. J. Claim Association

NEWARK—Hodge D. Young, Liberty Mutual, has been elected president of the New Jersey Claim Association. Wilbur A. Stevens, Hartford Accident, is vice-president; J. E. Nowack, Aetna Casualty, secretary; E. I. Bell, New Jersey Bell Telephone, treasurer.

On the board of governors are M. R. Kline, General Accident; Frank J. Cipler, Travelers; Daniel V. Crosta, Glens Falls Indemnity; S. F. Prime, Employers Liability; E. L. Cushing, Public Service Corporation, and Fred J. Wendt, Fidelity & Casualty.

The association will hold a dinner in Newark March 25, at which J. Noble Praden of the American Arbitration Association will discuss the objectives of his association.

#### Form K. C. Claim Managers Group

The Claim Managers Association of Kansas City was formed last week. Membership is limited to managers of insurance companies which are affiliated with the Association of Casualty & Surety Executives and the American Mutual Alliance. C. J. Iverson, Aetna Casualty, is president. Other officers are James M. Moore, National Surety, vice-president, and Glen Kohl, Employers Mutual Liability, secretary-treasurer. Ray Adams, Ocean Accident, and J. A. Othman, American Mutual, were named to the executive board.

The organization was created to obtain closer relationship between companies, to observe legislation affecting insurance and to check unethical practices.

#### Peoria Adjusters Club Meets

V. C. Capfer, export representative of Caterpillar Tractor Co., addressed the Casualty Adjusters Association of Peoria on "The Back Door to the Garden of Allah." He has spent much time in the Far East. Charles A. Bryant, president of Peoria Board of Fire & Casualty Underwriters, and Frank H. Hawk, president Peoria Association of Insurance Agents, were guests.

#### Boiler Cover Des Moines Topic

DES MOINES—George Voth, Travelers Indemnity, and Gordon Eason, Ocean Accident, discussed boiler and machinery insurance before the Des Moines Casualty & Surety Club.

The Oklahoma City Claim Men's Club will have an outing April 2 at the cabin of James C. Cheek at Silver Lake.

#### Minn. Senate Passes Bill

##### Prohibiting Life Companies from Writing Compensation

ST. PAUL—The insurance department measure prohibiting life companies from writing compensation insurance has passed the Minnesota senate with amendments which have taken some of the teeth out of it.

The department-sponsored bill to give the insurance commissioner greater authority to deal with fictitious automobile fleets has been reported out of committee in the senate.

New financial responsibility bills have been filed in both houses, with strong backing.

The occupational disease bill is still marking time in both houses. This is the last week for introduction of new bills without special consent.

University of Chicago. He became associated with Lumbermen's in 1932.

John H. Collins, 71, for 12 years general agent of Monarch Life in Indianapolis, died after a short illness.



TO KEEP  
*Chicagoland*  
ROLLING

American Glass Company  
helps protect vital industry and  
business with quick, dependable  
plate glass replacement service



To keep Chicagoland rolling is a challenging, fighting phrase in these critical times for all Chicagoans. We are supremely conscious of our part in the victory effort . . . to step up our activity so that business and industry vital to the war effort may go on without interruption.

Day after day American Glass Company is on the job proving its superior plate glass replacement service to thousands of Chicago business and industrial establishments.

Now, more than ever, we serve your clients better, to better serve the nation—to help keep plate glass insurance sold and to bring you greater profits.

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THE JOB IS  
BIGGER NOW

American Glass Company  
1030-42 NORTH BRANCH STREET-CHICAGO



## COMPANIES

### Allstate Companies Make Important Gains

Premium writings of the Allstate companies in 1942 rose to \$7,200,480, an increase of \$363,279 over 1941. The assets of Allstate increased \$1,674,486, or 20.5%, to \$9,831,784, while those of Allstate Fire increased \$421,158, or 22.8% to \$2,265,572.

Capital of Allstate is \$1,000,000 and surplus to policyholders is \$3,439,666. Capital of the fire company is \$300,000, surplus for policyholders \$1,017,314.

C. B. Kenney, vice-president and secretary of the companies, has been elected a director and C. C. DePew, in charge of operations, was elected a vice-president.

### American Casualty Expands

American Casualty of Reading, Pa., has entered Connecticut and Rhode Island. The two states will be in charge of Arnold & Snell, managers, with head office at 123 Pearl Street, Hartford. The company is now operating in 33 states and the District of Columbia.

Pacific Automobile, which was admitted to Utah for some years to write automobile insurance, now is applying for authority to write workmen's compensation and liability there.

**American Casualty**—Assets, \$6,223,714; inc., \$717,271; unearned prem., \$2,235,083; loss res., \$154,515; liab. res., \$1,210,449; comp. res., \$643,884; capital, \$750,000; surplus excl. vol. res., \$750,000. Experience:

	Prem.	Losses
Accident .....	\$ 302,330	\$ 106,259
Auto liability .....	2,099,986	973,679
Other liability .....	531,176	109,597
Workmen's comp. ....	1,041,330	431,061
Fidelity .....	39,411	.....
Surety .....	182,244	.....
Plate glass .....	164,694	53,416
Burglary and theft ..	162,954	29,630
Auto prop. damage ..	816,291	390,890
Auto collision .....	38,172	17,359
Other P. D. and coll. ..	35,486	7,066
Total .....	\$5,414,074	\$2,118,957

**California Cas. Indem. Exch.**—Assets, \$4,455,599; inc., \$790,298; unearned prem., \$165,384; loss res., \$19,752; liab. res., \$128,269; comp. res., \$1,772,839; vol. claim res., \$415,963; vol. sec. fluct. res., \$100,000; surplus, \$898,613; inc., \$113,776. Experience:

Auto liability .....	\$ 166,758	\$ 35,938
Other liability .....	29,090	2,887
Workmen's comp. ....	2,457,034	899,739
Auto prop. damage ..	54,393	25,468
Auto collision .....	67,872	22,281
Other P. D. and coll. ..	3,356	.....
Other auto .....	32,540	5,746
Total .....	\$2,811,043	\$ 992,059

**Exchange Mutual Indem., N. Y.**—Assets, \$2,308,183; inc., \$79,272; unearned prem., \$84,874; loss res., \$12,473; liab. res., \$341,119; comp. res., \$555,490; surplus, \$920,571; inc., \$50,954. Experience:

Auto liability .....	\$ 309,474	\$ 108,207
Other liability .....	59,255	8,871
Workmen's comp. ....	599,171	290,666
Auto prop. damage ..	113,270	52,866
Other P. D. and coll. ..	9,255	997
Total .....	\$1,090,426	\$ 461,609

**Fidelity Health & Accident**—Assets, \$379,001; inc., \$52,557; unearned prem., \$31,536; loss res., \$91,576; surplus, \$200,879; inc., \$52,557. Experience:

Accident & Health ..	\$ 749,680	\$ 366,783
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**Industrial Indemnity, Cal.**—Assets, \$1,695,905; inc., \$670,810; unearned prem., \$266,431; comp. res., \$747,749; capital, \$200,000; surplus, \$338,816; inc., \$21,703. Experience:

Workmen's comp. ....	\$1,269,445	\$ 359,171
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**Industrial Indem. Exch.**—Assets, \$6,398,462; inc., \$3,154,474; comp. res., \$4,869,905; surplus, \$978,252; inc., \$345,188. Experience:

Workmen's comp. ....	\$7,415,174	\$1,817,395
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**Lloyds of Minneapolis**—Assets, \$2,273,241; inc., \$36,258; unearned prem., \$526,299; loss res., \$93,060; liab. res., \$227,415; guar. fund, \$245,000; surplus, \$1,262,241; inc., \$91,522. Experience:

Auto. comprehen-		
sive .....	\$ 151,212	\$ 64,994

Auto. tornado .....	2,085	577
Auto. fire .....	23,273	2,564
Auto. liability .....	467,304	224,607
Other liability .....	483	.....
Auto. theft .....	7,931	1,275
Auto. prop. damage ..	184,214	80,612
Auto. collision .....	205,611	120,837
Miscellaneous .....	14,730	2,104
Total .....	\$1,056,843	\$ 497,570

**Policyholders Mutual Cas., Inc.**—Assets, \$90,682; dec., \$1,126; unearned prem., \$165,634; loss res., \$5,377; liab. res., \$18,889; surplus, \$5,884; dec., \$1,772. Experience:

Accident .....	\$ 5,901	\$ 2,143
Health .....	1,144	550
Non-canc. H. & A. ....	1,892	1,215
Auto. liability .....	45,345	16,959
Fire .....	3,449	1,769

Theft .....	3,179	1,546
Tornado .....	2,270	1,104
Comp. .....	16,769	5,028
Cargo .....	6,637	1,762
Hospitalization .....	58	.....
Auto. prop. damage ..	33,855	11,718
Auto. collision .....	37,069	19,317
Total .....	\$ 157,568	\$ 63,110

**Preferred Automobile**—Assets, \$1,209,913; inc., \$36,013; unearned prem., \$324,655; loss res., \$78,114; liab. res., \$346,073; capital, \$200,000; surplus, \$229,966; inc., \$31,867. Experience:

Auto. liability .....	\$ 247,885	\$ 93,052
Other liability .....	18	.....
Fire, theft-misc. ....	44	.....
Auto. prop. damage ..	164,198	71,401

Auto. collision .....	204,378	105,289
Other P. D. and coll. ..	29	.....
Auto. fire, theft & misc. ....	129,586	36,008
Total .....	\$ 746,138	\$ 305,750

**Utilities, Mo.**—Assets, \$1,069,857; dec., \$111,337; unearned prem., \$250,276; loss res., \$33,208; liab. res., \$177,149; comp. res., \$35,827; capital, \$204,000; surplus, \$137,569; inc., \$29,284. Experience:

	Prem.	Losses
Accident .....	\$ 12,735	\$ 1,013
Auto liability .....	197,651	186,065
Other liability .....	21,605	5,434
Workmen's comp. ....	158,085	56,351
Auto prop. damage ..	174,279	79,805
Auto collision .....	94,785	45,859
Other P. D. and coll. ..	4,301	244
Total .....	\$ 663,441	\$ 374,771

## Statement

AT THE CLOSE OF BUSINESS DECEMBER 31, 1942,

as reported to the Insurance Department of the State of New York

### ASSETS

Cash .....	\$ 835,893.30
U. S. Government Bonds ..	2,603,397.27
Public Utility and Other Bonds .....	238,285.08
Stocks at Convention Market .....	444,965.50
Premiums in Course of Collection .....	94,179.27
Accrued Interest and Other Assets .....	12,639.57
Total Admitted Assets ..	\$4,229,359.99

### LIABILITIES

Reserve for Losses .....	\$1,647,719.30
Reserve for Unearned Premiums .....	608,356.62
Reserve for Taxes, Expenses and Unassigned Funds .....	318,189.07
Capital—Paid In .....	\$755,095.00
Net Surplus .....	900,000.00
<b>SURPLUS AS REGARDS POLICYHOLDERS</b> ..	<b>\$1,655,095.00</b>
Total Liabilities .....	\$4,229,359.99

*Note:* Eligible bonds amortized. Other bonds and stocks at convention market value. Securities carried at \$559,605.92 in the above statement are deposited as required by law. On the basis of December 31, 1942 market quotations for all bonds and stocks owned, the total admitted assets and unassigned funds would be increased by \$21,280.06.

## THE EXCESS

INSURANCE COMPANY OF AMERICA

NINETY-NINE JOHN STREET • NEW YORK CITY

CASUALTY FIDELITY & SURETY REINSURANCE

## Casualty Net Premiums and Paid Losses in 1942 in CALIFORNIA

	Total	Auto. Liab.	Other Liab.	Work. Comp.	Fidelity-Surety	Plate Glass	Burglary-Theft	Prop. D. & Coll.
	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses
Acci. & Cas.	135,105	177,864	78,464	117,544	8,413	12,031	591	71
Aetna Casualty	1,722,210	418,604	432,442	105,047	262,953	53,901	416,246	159,800
Allstate	429,291	115,519	316,193	65,688	.....	.....	.....	.....
Amer. Auto.	1,341,558	395,658	930,392	244,780	81,528	1,834	19,905	6,807
American Casualty	202,179	44,820	107,388	28,467	25,702	2,228	8,739	896
Amer. Employers	402,822	116,028	97,999	37,999	38,225	9,541	131,099	29,400
Amer. Fid. & Cas.	284,427	157,795	230,121	107,049	.....	.....	.....	.....
American General	97,780	41,358	40,732	24,785	2,149	400	.....	.....
Amer. Guar. & Liab.	12,172	1,071	1,010	424	918	.....	1,210	247
Amer. Indem.	281,564	125,858	114,973	39,834	5,965	780	.....	.....
Amer. Motorists	1,493,742	464,670	231,028	82,676	28,746	3,476	1,070,594	328,555
Amer. Mut. Liab.	75,740	28,434	9,270	2,511	1,356	59,918	26,051	.....
Amer. Reins.	142,115	43,718	18,909	10,134	6,164	567	16,896	32,392
Amer. States	131,188	21,672	50,023	6,612	949	.....	.....	.....
Amer. Surety	388,165	95,348	51,239	36,902	26,971	4,344	55,405	22,557
Anchor Casualty	131,341	43,546	35,376	8,716	4,162	281	22,515	8,988
Arex Indem.	8,729	588	315	.....	679	36	.....	.....
Assoc. Indem.	2,718,523	1,159,055	137,530	59,516	33,725	6,295	2,150,712	855,298
Atlantic Tex.	159,565	51,604	120,729	30,781	.....	.....	.....	.....
Auto. Ind. Ex. Cal.	57,257	18,137	.....	.....	.....	.....	.....	.....
Bankers Indem.	3,916	19,495	1,050	17,314	108	.....	572	.....
Beneficial Cas.	476,354	101,865	.....	.....	.....	.....	.....	.....
Cal. Cas. Ind. Ex.	2,811,042	992,060	166,758	35,938	29,090	2,287	2,457,034	899,739
Can. Indem.	148,119	37,009	73,872	13,697	34,729	8,327	.....	.....
Car & General	158,311	45,821	70,602	16,835	14,620	2,193	13,748	9,991
Cas. Indem. Exch.	1,132	.....	.....	.....	1,132	.....	.....	.....
Cas. Reciprocal Exch.	26,905	21,769	2,471	134	580	50	21,310	20,328
Celina Mut. Cas.	72,073	77	33,280	.....	1,692	.....	.....	.....
Central Surety	491,322	180,443	193,655	68,940	49,285	13,690	90,924	55,548
Century Indem.	93,504	17,847	9,295	830	4,473	1,057	47,715	14,565
Colonial Mut. Comp.	687,579	288,300	.....	.....	4,108	.....	683,128	288,300
Columbia Cas.	233,309	67,369	37,527	1,381	25,114	4,459	21,794	58,225
Commercial Cas.	702,740	228,418	408,363	131,364	57,724	12,069	114	103
Commercial Stand.	131,615	212,861	74,554	125,571	171	1,982	.....	1,476
Conn. Indem.	277,371	116,904	191,668	78,147	8,819	70	5,626	1,142
Consolidated Und.	12,491	4,746	6,010	1,620	.....	.....	.....	.....
Continental Cas.	1,778,197	853,500	56,930	295,623	588,443	11,336	104,870	63,279
Eagle Indemnity	297,613	166,818	114,911	86,454	43,766	11,183	46,563	26,400
Employers Cas.	529,294	292,189	248,691	145,032	7,162	770	.....	.....
Employers Liability	1,168,554	631,259	294,185	184,828	147,070	36,584	401,486	200,768
Employers Mu. Liab.	191,847	58,117	18,042	6,421	7,237	738	151,694	46,052
Employers Reins.	1,016,308	329,687	300,022	175,782	78,723	15,419	91,484	40,260
Excess Amer.	39,844	237	1,719	.....	3,373	118	5,411	.....
Factory Mut. Liab.	14,693	865	8,171	175	22	.....	.....	.....
Farmers A. Int.-In. Ex.	4,475,814	1,646,676	1,730,773	659,899	1,710	17	.....	.....
Fidelity & Cas.	1,500,749	620,809	377,145	201,128	219,624	61,343	301,120	175,805
Fid. & Deposit	1,046,335	108,041	.....	.....	.....	.....	.....	.....
Fireman's Fund Ind.	3,071,637	849,483	559,500	114,756	359,469	94,697	1,738,529	429,401
General Acci.	850,250	547,927	242,629	312,919	64,343	21,272	81,316	40,897
Gen. Cas. of Amer.	1,706,430	681,091	908,579	425,478	218,040	40,699	4,405	2,061
Gen. Reins.	1,554,215	234,323	215,105	128,159	99,141	2,500	947,512	78,815
Glens Falls Indem.	680,352	137,826	112,466	24,927	17,630	28,351	47,629	17,240
Globe Indem.	960,038	323,645	162,069	132,517	28,829	125,500	80,532	91,135
Great Amer. Indem.	851,343	256,687	229,087	95,717	136,136	21,357	138,519	64,058
Guar. Ltd. Mut.	402,365	205,580	.....	.....	2,298	15	399,976	205,585
Hardware Indem.	241,701	72,130	116,203	19,190	50,677	28,664	8,907	3,863
Hardware Mut. Cs.	1,108,743	379,162	404,369	99,823	58,876	6,082	290,750	140,573
Hartford Acci.	3,984,360	1,178,934	732,064	346,708	769,479	137,206	1,106,823	371,756
Home Indem.	364,651	106,932	197,116	58,950	55,382	11,631	.....	5,474
Industrial Ind. Ex.	7,415,174	1,817,395	.....	.....	.....	7,415,174	1,817,395	.....
Indem. of No. Amer.	1,038,323	263,626	312,044	114,179	249,796	55,345	101,540	31,379
Industrial Indem.	1,269,445	359,171	.....	1,269,445	359,171	.....	.....	.....
Liberty Mutual	4,469,863	1,348,494	342,137	134,200	162,651	69,794	3,700,000	1,025,868
Limited Mut. Comp.	1,775,557	798,905	.....	.....	1,775,557	798,905	.....	.....
London Guar.	382,268	135,408	110,125	36,187	79,891	16,166	99,695	52,365
London & Lanc.	309,529	122,925	104,905	49,650	39,542	17,487	24,665	15,533
Lumberm. M. C. Ill.	1,691,677	545,079	404,389	124,697	40,570	6,369	1,021,635	303,339
Mfr. & Whl. In. Ex.	1,971	380	1,091	.....	85	.....	.....	.....
Maryland Cas.	1,641,193	607,703	291,704	166,851	152,344	25,116	406,295	338,371
Mass. Bonding	1,150,734	352,816	133,774	67,891	80,849	14,992	165,165	46,985
Medical Protective	76,655	41,520	.....	.....	76,655	41,520	.....	.....
Mercer Cas.	72,559	101,673	35,811	36,793	446	735	.....	.....
Metropolitan Cas.	1,249,322	361,996	777,070	249,678	133,339	23,517	1,512	712
Nat'l. Auto. Cal.	4,052,661	1,735,052	361,714	111,656	241,025	37,505	2,446,008	929,052
National Cas.	232,617	109,013	50,957	21,330	10,161	-1,459	14,831	8,016
National Surety	527,377	41,999	.....	.....	.....	.....	443,433	25,146
New Amer. Cas.	525,463	178,546	81,077	60,555	52,753	24,631	151,729	63,534
New York Cas.	161,397	33,109	64,623	16,330	12,863	89	10,069	3,947
Northwest Cas.	794,130	302,319	303,242	105,728	47,569	7,505	.....	.....
Norwich Union Ind.	77,262	44,671	29,187	16,948	7,640	762	47,038	13,174
Ocean Acci.	691,930	314,593	161,944	90,948	91,972	18,049	155,114	97,852
Occidental Ind.	2,005,750	607,761	276,195	117,623	197,230	37,913	1,218,801	354,590
Ohio Cas.	561,874	190,882	231,322	73,655	37,716	6,865	.....	.....
Ohio Farmers Ind.	109,290	18,347	73,255	8,036	5,783	1,181	.....	.....
Pacific Auto.	842,192	313,508	360,031	254,734	31,704	12,793	91,585	31,875
Pacific Employers	10,034,930	6,376,610	597,737	199,875	206,863	28,916	8,110,532	2,646,218
Pacific Indem.	8,158,220	3,011,274	1,551,793	769,386	780,749	219,441	3,531,874	1,126,990
Peerless Cas.	11,021	.....	.....	.....	1,153	.....	.....	.....
Phoenix Indem.	206,184	81,128	61,849	31,840	38,718	7,202	22,534	14,775
Preferred Acci.	536,984	174,821	279,490	84,410	14,054	282	.....	.....
Premier, Cal.	1,257,061	1,836,708	.....	.....	.....	.....	.....	.....
Protective Indem.	98,712	36,744	59,463	21,392	4,274	385	.....	.....
Royal Indem.	1,178,572	552,300	377,730	225,287	175,770	34,695	223,862	134,118
St. Paul-Mercury	1,186,821	411,447	460,137	153,636	167,839	27,897	105,235	51,394
Seaboard Surety	161,913	1,433	.....	.....	1,262	674	4,056	.....
Security Mut. Cas.	107,272	113,647	8,716	3,561	6,247	125	82,525	109,350
So. Cal. Auto. Club	3,341,188	1,499,067	.....	.....	.....	.....	.....	.....
Standard Acci.	2,955,935	803,936	1,862,421	393,310	46,761	5,876	147,513	72,091
Stand. Sur. & Cas.	317,487	115,315	132,481	70,022	36,184	4,778	36,289	11,404
State Comp. Fund.	12,348,602	5,882,144	.....	.....	.....	12,348,602	5,882,144	.....
State Farm M. Auto.	3,143,126	1,287,910	1,387,805	506,440	.....	.....	.....	.....
Sun Indem.	112,644	38,210	39,176	14,681	11,367	2,612	20,383	7,561
Travelers Indem.	1,309,842	449,085	688,197	223,029	7,397	9,101	.....	.....
Trinity Universal	463,326	154,943	157,816	74,553	19,025	1,885	.....	.....
Truok Ins. Exch.	828,628	404,628	404,637	172,293	.....	201	25,118	.....
U. S. Casualty	44,375	11,539	9,796	522	4,277	1,150	4,872	1,576
U. S. Fid. & Guar.	1,466,895	395,793	178,172	88,459	180,816	49,443	305,382	113,340
U. S. Guar.	769,748	193,838	305,549	78,488	141,923	21,078	563	.....
United Pacific	1,205,443	335,510	464,801	125,006	129,822	15,770	197	22
Utica Mutual	3,669	176	482	75	21	3,033	26	.....
West American	892,818	489,901	86,719	6,129	13,017	75	19,860	2,494
Western Cas. & Sur.	32,915	205	22	.....	36	.....	.....	.....
Western Surety	803	7	.....	.....	.....	.....	.....	.....
Yorkshire Indem.	39,528	3,132	69	.....	.....	.....	.....	.....
Zurich	737,095	646,860	110,831	368,654	119,541	21,655	240,528	127,219

Totals, 1942 ..... 146,498,270\* 55,938,698\* 24,979,079 10,406,898 8,990,113 1,928,379 57,385,966 20,905,016 9,375,342 543,877 869,373 332,697 1,980,017 424,828 19,398,445 10,733,566  
 Total, 1941 ..... 130,780,892 55,517,896 28,351,839 11,164,122 6,653,204 1,656,116 40,117,308 18,297,159 7,673,002 860,722 686,453 307,189 1,788,011 454,220 17,177,669 9,094,179  
 \*Includes totals in accompanying tables of companies whose totals are not shown above. A few of the 1942 reports on California business were not available and will be published later.



## Other Business in California in 1942

## ALL ACCIDENT AND HEALTH

	Net Prems.	Losses Pd.
Acci. & Cas.	1,266	1,052
Aetna Cas.	2,356	3,689
American Cas.	954	122
Amer. Employers	3,204	2,325
Amer. Motorists	8,232	5,152
Amer. Reins.	387	166
Amer. States	2,738	191
Amer. Surety	1,177	152,525
Anchor Cas.	64	200
Assoc. Indem.	236,048	618
Atlantic	1190	410,570
Bankers Indem.	37	117,397
Beneficial Cas.	60,771	66,204
Benefit Assn. Ry. Emp.	332,149	157,637
Business Men's Assur.	1,093	747,269
Celina Mut. Cas.	473,870	36
Calif.-West. States Life	665	3,195
Car & Gen.	12,614	22,806
Central Surety	12,686	24,215
Century Indem.	195	86
Columbia Cas.	64,268	172,084
Columbian Nat. Life	197,095	363,713
Columbus Mut. L.	221,369	555,669
Commercial Cas.	10,477	10,358
Conn. Gen. Life	2,906	8,966
Continental Cas.	2,503	12,877
Continental Assur.	8,018	43,731
Eagle Indem.	334,899	431,357
Employers Liab.	13	159,872
Employers Reins.	114,565	157,087
Equit. Society	16,143	92,830
Excess	84,116	181,190
Federal Life	59,903	174,097
Federal L. & Cas.	41,836	17,298
Fidelity & Cas.	2,503	5,456
Fireman's Fund Ind.	15,106	54,530
General Accl.	24,792	31,754
General Amer. Life	94,355	280,967
General Cas.	6,256	35,722
General Reins.	33,467	90,119
Glens Falls Indem.	60,031	146,786
Globe Indem.	111	951
Golden St. Mut.	42,019	89,609
Great Amer. Indem.	8,258	17,298
Great Northern Life	128,102	220,887
Hartford Accl.	17,784	56,409
Home Indem.	9,768	21,915
Income Guar.	1,806,378	2,696,831
Indem. of N. A.	377	3,126
Intercoast Hosp. Assn.	14,072	56,852
Inter-Ocean Cas.	26,530	71,971
Inter-St. Bus. Men's	1,907	8,475
John Hancock	4,577	13,567
Liberty Mutual	54,721	148,011
London & Lanc.	157,266	385,518
Loyal Protective Life	24,790	174,073
London Guar.	301,977	561,033
Lumbermen's M. Cas., Ill.	979	1,036
Maryland Cas.	59,646	203,727
Mass. Bonding	719,117	1,220,523
Mass. Indem.	66,933	142,770
Mass. Protective	68,391	127,475
Mercer Cas.	43,459	120,318
Metro. Cas.	2,817	13,277
Metropolitan Life	118,555	312,334
Monarch Life	71,250	224,764
National Cas.	3,471	10,279
National L. & A.	4,271	2,758
New Amsterdam Cas.	28,293	29,916
North Am. Acc.	714,546	1,338,388
Northwestern Life	51,886	116,954
Norwich Union Indem.	3,454	10,988
Occidental Indem.	2,000	830
Occidental Life	35	478
Ocean Accl.	199,690	378,535
Ohio Cas.	1,938	3,921
Ohio State Life	897	4,160
Old Line Life	107,651	216,859
Old Farmers Ind.	9,800	41,380
Order of Ry. Emp.	128,849	282,810
Pacific Employers	38,189	114,522
Pacific Indem.	556,948	917,062
Paul Revere Life	7,572	17,562
Phoenix Indem.	19,722	43,890
Postal Union Life	8,519	24,479
Provident L. & A.	406	5,080
Prudential	2,503	14,837
Preferred Accl.	10	10
Protective Indem.	278,463	529,828
Reliance Life	182	967
Royal Indem.	878	3,642
St. Paul Merc.	3,013	8,169
Security L. & A.	2,940	6,347
Security Mut. Cas.	27,920	70,959
Standard Accl.	3,383	8,339
Standard Sur. & Cas.	6,687	12,728
Sun Indem.	65,263	270,662
United Benefit Life	315,129	697,025
United Pacific	24	1,364
U. S. F. & G.	22,922	34,227
U. S. Guarantee	177	6,179
U. S. Casualty	25,741	62,707
Unity Mut. L. & A.	1,226	162,948
Washington National		
West American		
Western Travelers Acc.		
Westland Life		
Woodman Acc.		
Zurich		

Total, 1942 \$17,391,399 \$3,856,170  
Total, 1941 \$20,745,658 \$10,557,736

## STEAM BOILER, ENGINE AND MACHINERY

Aetna Cas.	6	125
American Employers	1,404	5,171
Amer. Guar. & Liab.	713	385
Amer. Reins.	385	21,509
Arex	56,246	5,363
Columbia Cas.	21,018	483
Continental Cas.	270	923
Eagle Indem.	44,775	2,158
Employers Liab.	1,732	160
Employers Reins.	17,146	1,588
Fidelity & Cas.	23,711	626
General Accl.	284,325	96,996
General Cas.	29,553	1,226
General Reins.		
Globe Indem.		
Hartford Steam Boiler		
L'm'b'rens Mut. Cas., Ill.		

## Net Prems. Losses Pd.

London Guar.	11,097	1,411
Maryland Cas.	20,413	3,505
Mutual Boiler	9,629	32
N. W. Casualty	7,908	
Ocean Accl. & Guar.	9,233	10,235
Ohio Casualty	43,918	8,117
Pacific Indem.	127,533	13,795
Phoenix Indem.	2,024	2,894
Royal Indem.	25,328	665
Security Mut. Cas.	5,187	
Travelers Indem.	25,843	1,125

Total, 1942 \$801,845 \$145,033  
Total, 1941 \$808,098 \$147,786

## LIVE STOCK

Hartford Accl.	297	150
Hartford Life Stock	38,659	30,769

Total, 1942 \$38,956 \$30,919  
Total, 1941 \$60,616 \$25,573

## SPRINKLERS &amp; WATER DAMAGE

Aetna Cas.	12,707	2,096
Amer. Reins.	20	
Columbia Cas.	23	
Great Am. Indem.	5	
Indem. Ins. of N. Amer.	1,479	705
Maryland Cas.	7,664	495
Ocean Accl. & Guar.	134	
Phoenix Indem.	73	
U. S. F. & G.	546	175

Total, 1942 \$22,650 \$3,478  
Total, 1941 \$10,774 \$8,693

## CREDIT

American Credit Ind.	12,727	—257
London Guar. & Accl.	860	

Total, 1942 \$13,587 \$—257  
Total, 1941 \$17,461 \$136

## Large Amount of Water Damage Business Written

Aetna Casualty states that more water damage and sprinkler damage insurance was written in January than ever before in its history. It came from nearly every state and from all sorts of concerns. Premiums range from \$20 to \$3,895 water damage, \$3.65 to \$316.11 for sprinkler leakage. The company states that sometimes water damage can be more devastating than that resulting from fire or windstorm. Recently in Kansas City, Mo., a 30-inch water main beneath the surface of one of the principal business streets broke and flooded cellars, cracked sidewalks and played havoc with traffic. Losses during January and February were usually the result of freezeups and breaks in plumbing. Roofs have been weakened so that more water damage claims may be expected when the spring rains come. Water damage insurance with a street water mains endorsement would have covered the physical damage in these street cases.

## Schedule "P" Basis Is Sought in Massachusetts

BOSTON—Massachusetts would be brought into line with other states in computing reserves for liability companies under schedule P, through a bill filed by Vice-president John J. Flynn of Massachusetts Bonding. At a legislative insurance committee hearing John W. Downs, counsel for Massachusetts Bonding and the Insurance Federation of Massachusetts, explained that the standardized system will eliminate considerable expense. The new method will actually result in higher reserves. There was no opposition.

## Severs With Manufacturers

George E. Severs has been named head of the New York bonding department of Manufacturers Casualty.

After serving in the marines in the last war Mr. Severs became manager of the brokerage bond department of National Surety. Ten years later he joined Maryland Casualty as manager of the blanket bond and fidelity bond department in New York. He was also with Massachusetts Bonding for several years, and now leaves the office of assistant manager of the home office of Standard Surety & Casualty to assume this new appointment.

## Experienced co-operation on CUSTOM-BUILT POLICIES

Agents will find the background and facilities of Indemnity a valuable aid in the preparation of custom-built policies for unusual risks. This Company was a pioneer in developing individual contracts to cover complex or unorthodox hazards, in accordance with policyholders' wishes.

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## Non-Can Accident and Health as Public Relations Factor

Because of the increased interest and activity in that field, John M. Powell, president of Loyal Protective Life, who was asked by THE NATIONAL UNDERWRITER for some comment on non-cancellable accident and health insurance and its bearing on good public relations, considers that the topic is timely for two reasons:

"First, in view of the demand which government sources appear to be trying to create for federal health insurance, anything which has a bearing on good public relations takes on additional importance. Second, the number of inquiries received during the past year or so indicates that considerable thought is being given in many quarters to the advantages and disadvantages of issuing non-cancellable accident and health insurance. By non-cancellable as used here it should be understood that we mean policies which carry with them the guaranteed right of renewal by the insured.

### Cancellation May Cause Disappointment

"Probably no one would argue against the fact that the cancellation of a policy or the refusal to renew by the company or the placing of a rider eliminating coverage against certain hazards will cause disappointment, in spite of the most careful salesmanship at the time the policy was written. The fact that the policyholder has received everything for which he has paid does not lessen his disappointment. Sometimes this disappointment is not confined to the individual policyholder alone but extends to associates who perhaps, not knowing the full facts, have had their confidence in their coverage shaken. In most cases where a cancellation occurs the cancellation was made because the risk was impaired and in view of that impairment he will most likely be unable to secure insurance elsewhere. From his point of view, as well as that of most people with whom he may talk, it may very well appear that an injustice has been done and that private insurance has fallen down. To this extent, therefore, non-cancellable accident and health insurance renders a valuable service.

### More Careful Selection Needed

"It is quite obvious that since a company once on a non-can risk must remain so long as premiums are paid, a somewhat more careful selection must be made than in the case where cancellable accident and health insurance is issued. This, however, does bring a second, although indirect, benefit by the issuance of non-cancellable forms. This benefit is the fact that in the main non-cancellable forms with stricter underwriting can be written with less restrictions than are frequently required in cancellable forms. One of the most important of these is the use of the non-prorating form of Standard Provision No. 1 in non-can forms.

"While there is nothing mysterious in the issuance of non-can, the past experience of many companies, including the experience of life insurance companies with the total and permanent disability benefit, shows clearly that unless great care is used the experience can be very costly. In spite of the obvious advantages of non-can, nothing could hurt the business more than a repetition of the earlier unfavorable results which have been experienced in various quarters.

"In the opinion of the writer practically all of the danger of non-can is traceable to one thing—moral hazard. In weighing that hazard it must be considered not only as it exists at the time the policy is written but insofar as possible potentially as well. While many factors may enter into moral hazard, two in particular would appear to be outstanding. The amount of indemnity,

particularly in relation to earned income, is, as every underwriter is aware, of the utmost importance even on cancellable insurance. On non-can it is much more important for many factors may enter in to reduce the earned income at some future date, but the company cannot terminate the policy. An extensive published experience of several years ago showed that periods of disability as well as loss ratios were twice as great on larger policies as compared with small ones. As this was on cancellable business, the importance of this factor can hardly be overemphasized on non-can.

"The other factor of outstanding importance is the length of the period for which indemnity is provided, particularly for sickness claims. Most companies that have been writing non-can in recent years have found that a reasonable time limit to the duration of benefits is highly desirable as otherwise a temptation to retire on a pension may be difficult to avoid.

"In general, interest has been expressed in inquiries received along the following lines: (1) Commission scale, (2) premium rates, (3) particular policy provisions, (4) reserves, (5) miscellaneous comments.

### Factors in Commission Scale

"In a discussion of this length obviously only the briefest of comments can be made. As to the commission scale, several factors are to be weighed, particularly if the company proposes to issue both cancellable and non-can. If the commission scale is too low the company may find that the agent will sell cancellable wherever possible, selling non-can only where this plan seems to be the deciding factor, in which event the experience of the company may be very bad because of the adverse selection.

"If the commission scale is too high it will be necessary to increase the premiums very materially and again this may result in adverse selection, for it is obvious that the greater the difference in the premium the less will the best risks be inclined to take the higher premium plan.

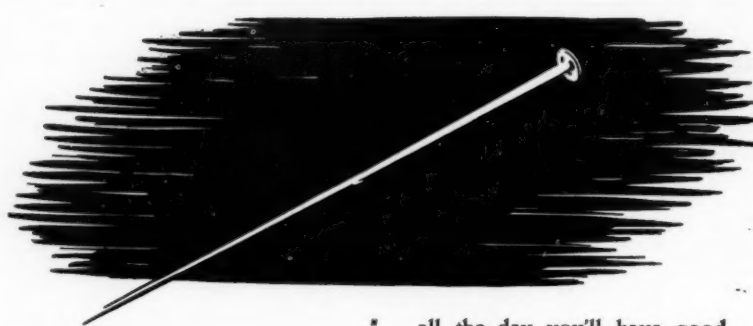
"It is rather a common practice among companies issuing non-can to follow the general plan of life insurance, paying a moderately high first-year commission and a lower rate of renewal. Much is to be said for this, as payment is more in line with the effort required than is provided under the level commission scale. Once properly sold, the persistency rate is likely to be favorable. This means, therefore, that while the average rate of commission may be less than commonly paid on cancellable forms, the amount of commission earnings may be greater.

"As regards premium rates, little can be said as so much depends upon the selection of risks, the handling of claims and the broadness of coverage contained in the policy and, as indicated above, the commission scale.

"While policy provisions have already been mentioned, we may add that with reasonable care in the selection of risks, most companies seem to have found that liberal policy provisions can be safely underwritten.

"The experience in the early years is likely to be favorable, particularly if business conditions remain good. It is highly important, however, that a sound reserve basis should be followed, such as the conference modification of the Class III disability table.

"Most inquiries have contained a request to add such other comments as might seem appropriate. These could be summarized by the statement: Watch out for moral hazard and adverse selection not only in the underwriting but in the selling of the business as well."



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## Whisky Value Controversy Close to Solution

LOUISVILLE — The controversy relative to insurers paying off on ceiling prices, or market value, in event of bulk whisky losses apparently will be solved at an early date. Several companies have indicated willingness to pay on basis of market value in event of loss. They have indicated they would figure back from case goods price, taking off federal tax, bottling cost, advertising, etc., in arriving at value; while some have indicated a willingness to adjust on basis of ceiling plus special profits coverage, under separate policies.

Establishing the market may not be easy, unless prices are taken that were in effect as of Feb. 1, before the OPA bulk whisky ceiling announcements, when whisky was selling at a minimum of \$3 per gallon for whisky that could be bottled in bond.

The Sterling G. Thompson agency of Louisville has received a message, in answer to an inquiry, from Hines Bros. of Atlanta, Crum & Forster managers, stating: "In view of the present attitude of the OPA, that the insurance of whisky and payment of losses thereon at market value should not violate its ruling on ceiling prices, we have reached this conclusion:

"Whisky should be insured on the basis of market values—the coinsurance clause should be applied on the same basis. The premiums and losses should be paid on that basis. This, of course, with the proviso that OPA does not later on reverse the present ruling, which we think unlikely.

"We also feel that on reporting policies, it should be specified that values will be reported on this basis of market values and premiums paid on that basis, and any loss settlements would be on that basis. As far as specific policies are concerned, we think there would be a clause in the policy that losses will be paid on market values and for the purpose of application of the coinsurance clause, market values will be used. You are at liberty to do this, but we will not insist until there is more uniformity of views among the companies."

## Move to Make Ocean Cargo War Extension Mandatory

British marine underwriters have announced they will shortly and it is considered likely that American underwriters will do the same, make the war time extension mandatory for marine cargo business. This is an extension of the warehouse to warehouse clause and provides that by paying a flat fee the insured is automatically covered against deviations in the vessel's route or transshipments not contemplated in the policy. Heretofore the coverage has been optional. The rates are substantial. In the British market the combined rate for wartime extension and the marine surcharge for added perils of navigation due to war conditions is as much as 2% for some routes.

## Bonito Facilities Extended

Alan H. Bonito & Co. has been appointed agent of Great American Indemnity for the borough of Manhattan. It has also been appointed Metropolitan fire, automobile and inland marine agent with country wide binding authority for Massachusetts F. & M. and suburban agent of County Fire.

Arthur D. Reeve, Jr., who has been conducting the agency in Newark of his late father, has enlisted in the signal corps reserve. While he is absent, the agency will be conducted by his mother.

## Hartford Steam Boiler Battles

(CONTINUED FROM PAGE 17)

equipment be inspected by the official inspectors and in a number of states the boiler or casualty companies' inspectors are deputized to act as state inspectors. Hence those insured who took fire companies' coverage on equipment other than boilers and flywheels might find any difference in premium offset by the necessity of paying for inspection service to comply with state laws.

It is understood that many fire companies have, through letters to insured, extended their coverage to embrace household heating equipment that would ordinarily be written by casualty carriers. However, the latter have found it difficult to unearth well authenticated cases of this being done.

## Correction as to Profit Item of F. & G. Fire

The gain from underwriting and profit and loss items of Fidelity & Guaranty Fire is shown in the 1943 Argus Fire Chart as a loss whereas it was actually a gain, 1942 having been the best year in the company's history.

## Loman in Far West Circuit

Dr. H. J. Loman, dean of the American Institute of Property & Liability Underwriters of Philadelphia, is on a far western trip. He was guest at a luncheon Wednesday in Omaha; he is scheduled to be in Denver Thursday, Los Angeles Monday and will make subsequent appearances at San Francisco, Oakland, Portland, Seattle and Minneapolis. He stopped in Chicago Tuesday.

## Tex. Retaliatory Bill Progresses

The Texas senate's insurance committee has reported favorably the retaliatory measure which would bar from the state any company domiciled in a state which refuses to license Texas' broad charter companies. There is considerable concern among out-of-state companies, particularly those domiciled in New York, about the bill, which is directed particularly against the New York department's action in barring Texas companies licensed to do both fire and casualty business even though they entered New York only for one of these lines.

## Correction on Ind. Bill

THE NATIONAL UNDERWRITER in stating that a bill had passed in the Indiana legislature to change the amount of stock that a director of an insurance company must hold was misinformed. The bill was voted down in the senate within a few hours of adjournment. It had been introduced to fit a specific situation in an Indianapolis company and opposition later developed from another quarter.

## Nourse Elected Director

At the annual meeting of Unity Fire of New York, E. W. Nourse was elected a director. Prior to his retirement June 30, 1942, he was United States manager of London Assurance and the president of Manhattan Fire & Marine.

Mr. Nourse's association with the Unity Fire is in a way a reestablishment of former connections, since he was from 1932 to 1940 United States manager of Union Fire, Accident & General, out of which the Unity grew.

## C. W. Johnson Albany Speaker

C. William Johnson, assistant secretary of North America, addressed the meeting of the Albany Field Club on activities of the companies in connection with the war effort, current underwriting problems and the importance of production work and its relation to the business as a whole.

## Confer on Proposed Farm Liability Contract

NEW YORK—Conferences have been held this week by an agents group representing the rural and farm agent membership of the National Association of Insurance Agents with company officials and a National Bureau of Casualty & Surety Underwriters committee for the purpose of reconciling their views on the proposed combined coverage for farm liability and employers liability on farm risks. The agents group is headed by G. E. Rolien, Milaca, Minn., chairman N.A.I.A. rural agents committee.

## Consider Partial Self-Insurance

TORONTO—While the city of Toronto several weeks ago rejected proposals for a self-insurance plan on city-owned fire risks, some study is now being given to a partial self-insurance plan. The effect on the city's fire insurance premiums of the city assuming the first \$5,000, \$10,000 or \$15,000 of risk will be studied.

## Much Readjustment Work

Chicago agencies find a large number of cancellations and reductions these days. Stocks are reduced. Many mer-



chants are unable to get merchandising. Grocers find it very difficult to secure foodstuffs. A number of the smaller business men have been compelled to close their doors. Others are rocking along in an unsatisfactory state.

## The OHIO CASUALTY INSURANCE COMPANY

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Milwaukee - Minneapolis - Oklahoma City - Peoria  
Philadelphia - Pittsburgh - Portland - San Francisco  
Seattle - Topeka

## Casualty Net Premiums and Paid Losses in 1942 in PENNSYLVANIA

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity & Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses
Accident & Cas. ....	101,931	42,629	53,414	26,053	5,420	53	12,453	2,678	3,618	.....	3,045	643	1,791	.....	21,609	13,190
Aetna Cas. ....	2,616,266	864,365	616,826	280,881	329,512	52,667	781,924	336,925	360,847	10,360	38,491	11,064	135,271	14,175	298,852	144,185
Aetna Life ....	1,465,403	864,536	.....	.....	16	.....	71	15,310	.....	.....	.....	.....	.....	.....	69,745	25,847
Allstate ....	247,233	98,078	177,415	72,232	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	334,539	153,756
American Auto ....	1,177,119	421,810	803,947	267,021	27,584	187	11,047	845	.....	.....	.....	.....	.....	.....	211,433	119,900
American Cas. ....	1,358,843	638,311	418,401	267,684	112,683	28,403	343,948	157,258	50,583	.....	47,701	10,931	26,078	2,925	.....	.....
Amer. Cred. Ind. ....	353,498	11,971	.....	.....	.....	.....	.....	.....	520	.....	.....	.....	.....	.....	35,992	43,892
Amer. Employers' ....	711,374	206,797	206,421	74,038	84,843	7,355	202,447	66,390	45,730	3,398	16,001	5,666	40,608	2,600	31,012	19,993
Amer. Fld. & Cas. ....	172,132	73,678	143,119	53,685	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	33	11
Amer. Guar. & Liab. ....	59,835	7,101	80	.....	433	.....	302	269	15,200	3,118	37	.....	587	.....	.....	.....
American Motorists ....	309,642	62,049	72,542	23,575	7,133	903	139,722	22,385	1,577	.....	1,221	598	1,773	30	76,728	11,152
Amer. Mut. Liab. ....	1,782,908	711,559	114,771	60,576	131,206	15,528	1,402,538	598,798	12,669	—666	1,223	385	18,113	10,784	77,830	26,361
Amer. Policyholders' ....	1,425	646	753	150	158	.....	.....	.....	.....	.....	.....	.....	.....	.....	300	395
Amer. Reina. ....	534,313	69,467	69,575	23,189	34,931	.....	255,409	17,279	151,625	28,548	6	.....	9,231	322	13,129	26
Amer. Surety ....	772,848	154,178	49,452	26,185	36,561	7,818	29,250	11,113	574,399	92,679	10,010	4,126	45,743	2,310	26,877	9,920
Arex Indem. ....	12,110	2,904	920	12	2,922	75	7,537	2,653	.....	.....	—24	.....	280	.....	471	163
Assoc. Indem. ....	115,996	66,888	41,053	23,644	17,212	6,819	35,110	20,890	—2	.....	3,024	1,285	876	167	17,690	14,095
Bankers Ind. N. Y. ....	165,707	102,551	51,075	37,524	23,073	11,296	43,535	32,363	3	—917	6,248	1,859	14,873	1,505	26,348	18,548
Berwind Exch. ....	274,357	122,700	2,004	73	2,221	.....	186,026	99,832	2,681	.....	.....	.....	.....	.....	2,540	386
Buckeye Union Cas. ....	72,793	24,519	42,200	12,110	6,251	101	.....	.....	.....	.....	832	496	1,350	24	20,765	11,769
Car & General ....	108,843	56,422	50,693	30,516	8,237	920	19,669	6,727	1,598	.....	3,863	1,680	3,017	248	21,761	16,328
Cas. Indem. Ex. Mo. ....	4,393	1,284	4,393	1,284	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7,323	5,545
Cas. Recip. Ex. Mo. ....	67,185	38,360	14,149	5,726	4,130	575	39,589	25,260	.....	.....	.....	.....	.....	.....	12,169	2,583
Celina Mut. Cas. ....	39,981	4,402	26,456	1,819	353	.....	.....	.....	.....	.....	530	.....	.....	.....	56,636	34,898
Central Surety ....	247,742	147,938	145,731	97,817	4,981	4,828	8,464	2,650	9,839	175	18,439	7,446	3,192	53	.....	.....
Century Indem. ....	635,924	268,953	156,119	78,482	96,941	23,068	121,155	62,046	76,174	22,715	24,391	10,913	58,183	12,743	70,663	37,238
Citizens Cas. N. Y. ....	33,237	27,990	18,114	11,517	.....	.....	.....	.....	.....	.....	6,478	8,199	.....	.....	7,944	8,273
Coal Operators Cas. ....	1,745,311	780,027	.....	.....	4,621	1,100	1,739,283	780,015	.....	.....	.....	.....	.....	.....	790	.....
Columbia Cas. ....	205,500	66,507	29,568	9,598	34,235	14,209	53,304	21,129	22,069	3,847	4,643	2,162	12,203	999	16,575	7,100
Commercial Cas. ....	560,137	189,315	192,556	77,236	66,618	8,420	3,159	3,034	22,745	4,427	18,689	6,959	18,221	2,422	21,009	17,312
Conn. Indem. ....	22,514	20,668	14,450	14,654	486	1,472	.....	.....	.....	.....	305	130	17	.....	7,254	4,411
Consol. Und. Mo. ....	5,702	4,556	3,274	3,043	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,038	1,441
Continental Cas. ....	1,952,870	733,927	390,986	197,068	158,542	47,708	316,065	122,377	240,270	19,020	24,235	10,388	62,528	15,215	156,202	94,671
Dearborn Natl. Cas. ....	—210	7,673	—115	5,383	.....	35	.....	.....	.....	.....	.....	.....	.....	.....	—95	3,154
Eagle Indem. ....	198,667	67,738	53,453	29,849	26,226	4,247	39,765	13,125	14,693	—365	5,573	1,547	11,068	1,088	25,431	15,579
Employ. Liab. ....	1,939,904	713,879	467,873	208,732	317,843	52,367	591,357	265,927	52,043	5,457	61,981	23,296	97,009	10,915	217,531	117,953
Employ. Mut. Cas. ....	166,283	70,738	66,669	27,694	8,618	315	67,096	24,178	.....	.....	2,295	1,883	.....	.....	31,525	16,666
Employ. Mut. Liab. ....	593,822	139,750	41,401	2,979	39,750	2,361	478,300	123,100	.....	.....	720	2,045	899	103	32,748	9,157
Employ. Reina. ....	459,909	88,762	182,857	20,372	8,470	—10,810	35,497	3,684	104,246	8,946	448	.....	10,402	488	26,899	7,034
Erle Ins. Exch. ....	603,894	241,116	178,912	104,443	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	247,155	111,087
Eureka Cas. ....	1,516,548	684,392	126,104	66,871	17,571	847	1,299,975	578,440	307	—2,876	11,982	2,745	3,104	133	57,502	38,219
Europ. Genl. Reina. ....	764,615	179,719	147,516	90,469	30,432	284	31,347	8,739	191,828	12,506	393	.....	92,758	3,555	66,670	39,700
Excess ....	68,897	3,048	34,610	1,401	1,336	.....	8,803	799	20,312	746	.....	.....	.....	.....	4,139	101
Factory Mut. R. I. ....	71,226	27,142	40,280	21,819	410	.....	.....	.....	.....	.....	.....	.....	.....	.....	29,119	5,322
Farm Bureau M. O. ....	2,223,369	893,971	991,053	385,012	29,552	135	.....	.....	.....	.....	.....	.....	.....	.....	1,097,720	491,937
Fidelity & Cas. ....	1,653,863	565,092	265,658	153,824	184,415	28,977	446,006	162,659	263,288	66,903	42,400	18,063	77,348	13,141	138,841	80,922
Fidelity & Deposit. ....	671,063	95,180	.....	.....	.....	.....	.....	.....	631,269	86,335	7,678	5,447	32,114	3,096	.....	.....
Fireman's Fund Ind. ....	175,786	38,814	36,646	6,910	19,193	4,363	52,278	14,909	34,614	398	4,514	1,487	5,818	558	17,808	9,345
General Accl. ....	1,658,805	818,543	660,045	327,732	157,639	31,322	260,299	125,362	.....	.....	19,002	5,983	48,681	13,309	303,323	257,747
General Cas. Amer. ....	55,765	35,809	33,193	26,901	2,030	138	.....	.....	6,577	.....	37	71	630	271	13,384	8,427
General Reina. ....	431,405	268,369	90,684	21,143	25,557	87,243	119,341	23,807	98,679	120,028	1,313	.....	29,830	986	15,319	2,634
Gen. Tr. Cas. & Sur. ....	90,635	46,398	1,351	10	45	.....	10,005	2,769	99,675	35,481	9,000	7,858	.....	.....	558	278
Glens Falls Indem. ....	341,853	107,691	67,677	42,549	56,354	6,843	73,782	35,024	41,950	—13,109	15,561	6,074	29,378	7,986	35,877	16,138
Globe Indem. ....	914,565	320,622	214,308	93,601	114,827	17,575	235,187	114,288	98,481	7,609	14,909	7,970	54,494	6,251	56,835	51,403
Goodville Mut. ....	140,010	22,047	81,471	11,207	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	58,539	19,840
Great Amer.																



	Total	Auto. Liab.	Other Liab.	Work. Comp.	Fidelity-Surety	Plate Glass	Burglary-Theft	Prop. D. & Coll.
	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses
Trinity Universal....	64,785	34,661	35,672	22,652	3,410	507	1,507	20
U. S. Casualty.....	527,294	229,129	105,325	40,637	118,835	32,373	157,058	86,276
U. S. F. & G.....	2,464,769	693,267	436,476	158,943	364,605	69,215	544,901	229,216
U. S. Guar.....	480,728	92,166	98,790	28,871	64,828	28,880	3,612	805
U. S. Liab.....	79,807	2,536						79,807
Utica Mut.....	215,083	96,402	74,585	42,142	8,144	15	81,527	30,723
Utilities Mut., N. Y.	97,914	56,475					97,914	56,475
Yorkshire Indem.	112,394	63,910	30,476	10,375	5,494	3,061		44,913
Zurich	1,059,205	444,294	275,495	109,508	210,926	56,266	283,722	139,207
Totals, 1942.....	109,281,234*	44,341,679*	20,756,531	8,866,065	7,030,689	1,390,379	33,909,603	15,360,532
Totals, 1941.....	106,451,989	46,174,294	22,978,966	8,525,510	6,482,718	1,294,475	29,786,148	14,659,041

\*Includes \$408,405 application fees.

\*Includes \$81,810 application fees.

\*Includes totals in accompanying tables of companies whose totals are not shown above.

## Other Business in Pennsylvania in 1942

ACCIDENT & HEALTH & NON-CAN.		Premia.	Losses
Acci. & Cas.....	\$ 568	\$ 10	
Aetna Cas.....	1,103	702	
Aetna Life.....	1,465,316	849,224	
Allegheny Mut. Cas.....	51,599	27,143	
Allstate.....	73		
Amer. Cas.....	148,009	51,205	
Amer. Employ.....	10,961	2,332	
Amer. Motorists.....	8,892	3,341	
Amer. Mut. Liab.....	24,548	2,272	
Amer. Policyholders.....	778	101	
Amer. Reins.....	551	23	
Assoc. Indem.....	493		
Bankers Indem.....	1,647	370	
Bankers Life, Ia.....	56,610	37,456	
Ben. Ry. Employ.....	800,907	495,792	
Buckeye Union.....	780	3	
Bus. Men's Assur.....	72,265	37,318	
Celina Mutual.....	471		
Central Surety.....	68		
Century Indem.....	32,293	21,742	
Columbia Cas.....	7,102	3,161	
Columbian Natl. Life.....	14,504	4,161	
Columbian Prot.....		28,668	
Columbus Mut. Life.....	150,346	52,088	
Commercial Cas.....	207,115	69,499	
Conn. Genl. Life.....	485,860	251,464	
Continental Assur.....	4,280		
Continental Cas.....	625,484	226,499	
Craftsman.....	86,596	39,497	
Eagle Indem.....	8,874	1,260	
Educators Mut. A. & H.....	452,421	270,885	
Employ. Liab.....	73,123	24,310	
Employ. Mut. Cas.....	77		
Employ. Reins.....	49,897	10,936	
Equit. Society.....	2,604,116	1,190,219	
Erie Ins. Exch.....	5,981	1,816	
Europ. Gen. Reins.....	76,953	24,357	
Excess.....	18		
Family Income Mut.....		64	
Farm. Bur. Mut. Auto. O.....	32,317		
Federal Life, Ill.....	132,137	40,925	
Federal L. & C.....	162,570	39,372	
Fidelity & Cas.....	107,117	32,367	
Fidelity H. & A.....	94,878	39,437	
Fireman's Fund Indem.....	4,910	838	
General Accl.....	186,203	56,125	
Gen. Amer. Life.....	542,726	280,150	
General Cas, Wash.....	13		
General Reins.....	31,511	12,511	
Glen Falls Indem.....	21,570	6,181	
Globe Indem.....	52,460	15,645	
Great Amer. Indem.....	9,051	5,272	
Hartford Accl.....	79,083	26,954	
Home Indem.....	756		
Hoosier Cas.....	64,509	37,279	
Indem. of No. Amer.....	118,991	35,998	
Independence, Ky.....	168,070	40,621	
Inter-Ocean Cas.....	221,190	77,199	
Inter-St. Bus. Men's.....	34,527	15,412	
John Hancock M. L.....	241,274	134,172	
Ky. Cent. L. & A.....	212,584	54,685	
Keystone Auto Cl. Cas.....	8,907	4,168	
Liberty Mutual.....	4,594	1,195	
London & Lanc.....	13,662	3,778	
London Guar.....	21,435	9,011	
Loyal Prot. Life.....	159,222	40,151	
Lumberm. Mut. Cas, Ill.....	134,452	27,196	
Manufacturers Cas.....	6,503	2,470	
Maryland Cas.....	123,835	35,580	
Mass. Bonding.....	222,122	80,449	
Mass. Indem.....	250,259	92,696	
Mass. Protect.....	441,920	227,350	
Merchants Mut. Cas.....	17	41	
Metropolitan Cas.....	102,917	56,657	
Metropolitan Life.....	3,163,595	1,619,620	
Monarch Life.....	621,632	229,310	
Mut. Ben. H. & A.....	743,357	307,519	
National A. & H.....	278,692	82,998	
National Cas.....	267,115	122,291	
Natl. L. & A.....	424,018	151,663	
New Amsterdam.....	37,253	9,664	
No. Amer. Accl.....	226,525	65,944	
No. Carolina Mut. L.....	38,183	323,116	
Norwich Union.....	127		
Occidental Indem.....	3,919	113	
Occidental Life.....	5,106	335	
Ocean Accl.....	33,704	11,905	
Ohio Cas.....	15,201	1,183	
Ohio Farm. Ind.....	35		
Ohio State Life.....	30,543	14,260	
Pacific Mut. Life.....	194,882	109,729	
Pan-Amer. Life.....	202		
Paul Revere.....	101,864	32,720	
Peerless Cas.....	749	232	
Penn. Mut. Indem.....	95		
Penna. Cas.....	205	29,530	
Phoenix Indem.....	14,429	2,417	
Preferred Accl.....	38,878	12,651	
Prot. Indem.....	1,223	165	
Prov. L. & A.....	363,777	168,573	
Prudential.....	601,182	401,972	
Reliance Life.....	159,127	50,134	
Royal Indem.....	16,917	4,994	
Seaboard Mut. Cas.....	140		
St. Paul-Merc. Indem.....	15,989	7,957	
Security Mut. Cas, Ill.....	40		
Shelby Mut. Cas.....	153,073	89,295	
Standard Accl.....	52,794	33,209	
Standard Life.....	15,998	6,975	

### STEAM BOILER, ENGINE & MACHINERY

	Premia.	Losses
Aetna Cas.....	4,872	
Amer. Employ.....	8,364	1,123
Amer. Guar.....	43,158	3,701
Amer. Reins.....	1,082	
Arex Indem.....	616	
Coal Operators Cas.....	25,795	4,297
Columbia Cas.....	10,550	927
Continental Cas.....	15,778	1,409
Eagle Indem.....	61,236	3,919
Europ. Gen. Reins.....	112,392	1,564
Excess.....	474	
Fidelity & Cas.....	128,776	7,231
General Accl.....	23,558	469
General Reins.....	19,514	13
Globe Indem.....	42,964	6,473
Hartford Accl.....	7	
Hartford St. B.....	770,658	129,175
London Guar.....	17,563	856
Lumberm. Mut. Cas.....	100,361	8,736
Maryland Cas.....	86,987	6,461
Mutual Boiler.....	88,639	6,425
Ocean Accl.....	92,818	6,578
Phoenix Indem.....	1,062	
Royal Indem.....	55,402	2,769
Security Mut. Cas.....	10,433	
Travelers Indem.....	148,672	32,564
Total, 1942.....	\$1,851,391	\$ 224,690
Total, 1941.....	\$1,690,491	\$ 175,760

### SPRINKLER LEAKAGE & WATER DAMAGE

	Premia.	Losses
Aetna Cas.....	48,563	13,401
Comm. Cas.....	17	
Great Amer. Indem.....	39	
Indem. of No. Amer.....	4,073	180
Maryland Cas.....	28,234	30,358
Metropolitan Cas.....	190	
Ocean Accident.....	40	
Phoenix Indem.....	31	
U. S. F. & G.....	1,033	153
Total, 1942.....	\$ 82,220	\$ 44,122
Total, 1941.....	\$ 70,966	\$ 19,137

### CREDIT

	Premia.	Losses
Amer. Credit Indem.....	352,978	11,971
Employ. Reins.....	41,187	1,891
European Gen. Re.....	14,318	1,459
London Guar.....	34,620	943
Total, 1942.....	\$ 443,103	\$ 14,378
Total, 1941.....	\$ 405,303	\$ 29,387

### LIVE STOCK

	Premia.	Losses
Hartford Live Stock.....	19,077	\$ 8,260
Hartford Accident.....	276	
Total, 1942.....	\$ 19,353	\$ 8,260
Total, 1941.....	\$ 14,835	\$ 4,779

## Read Fights Soliciting by Unlicensed Companies on Military Reservation

The question of companies not licensed in a state soliciting business in a military reservation in that state has again been brought to the fore by Commissioner Read of Oklahoma, who has appealed to the Oklahoma senators and representatives in Washington to take the matter up with the proper authorities there, with particular reference to the Fort Sill military reservation in that state.

In 1932 Mr. Read made a similar

appeal to Washington and P. J. Hurley, then Secretary of War, issued a ruling that "only such insurance companies as comply with insurance laws of the state of Oklahoma will be permitted to solicit insurance on military reservations in that state."

That ruling was followed without question until last year. When the question came up again then, Mr. Read took the matter up with Fort Sill authorities. They were very courteous and cooperative, and seemed inclined to follow Hurley's ruling. Later instructions were sent to the post reversing this ruling. The commissioner stated that the latest word on the matter seems to have come from Major General Ulio.

## Insure Two Appearances of Mme. Chiang Kai-shek

The Chicago office of Jones & Whitlock issued a Lloyds contract covering liability of the Citizens Committee of Chicago for refund of advance paid admissions at Chicago Stadium for the appearance Monday evening of Mme. Chiang Kai-shek. The contingency insured against was her inability to appear by reason of accident, sickness or death. The liability was \$15,000.

Jones & Whitlock also issued a similar contract in connection with her appearance at Madison Square Garden in New York, it being for \$40,000.

## Coal Operators Casualty Company

Pittsburgh, Pa.

### FINANCIAL STATEMENT

AT DECEMBER 31, 1942

Assets	
Cash in Banks and Office.....	\$ 374,994.19
Investments:	
United States Government Bonds.....	\$802,321.87
State and Municipal Bonds.....	73,394.09
Railroad Bonds.....	260,427.50
Public Utility Bonds.....	404,181.14
Industrial and Other Bonds.....	191,372.08
Total Investments.....	1,731,696.68
Premiums, not over three months due.....	328,996.75
Accrued Interest.....	12,575.86
Other Assets.....	27,193.75
Total Admitted Assets.....	\$2,475,457.23
Liabilities	
Reserve for Losses.....	\$1,654,224.01
Reserve for Loss Adjustment Expenses.....	94,016.01
Reserve for Unearned Premiums.....	215,418.58
Reserve for Commissions.....	23,500.00
Reserve for Taxes and Expenses.....	58,000.00
Capital Stock.....	\$200,000.00
Surplus.....	230,298.63
Surplus to Policyholders.....	430,298.63
Total.....	\$2,475,457.23

N. B.—Securities carried at \$161,065.89 in the above statement are deposited as required by law. On basis of December 31, 1942 Market Quotations for all Bonds owned, the Company's Total Admitted Assets and Surplus would be increased \$10,993.15.





	Premia.	Losses
Col. Mut. Life.....	145	.....
Combined Mut. Cas.....	8,136	178
Comm. Cas.....	119,085	58,826
Commonwealth Mut.....	69,032	30,083
Conn. Gen'l. Life.....	1,050,971	612,337
Cont. Assur.....	2,395	474
Cont. Cas.....	82,432	19,968
Eagle Ind.....	5,328	2,916
Educators.....	28,977	10,051
Employers Liab.....	5,363	844
Empl. Reins.....	4,786	698
Empl. Mut. Cas.....	95	.....
Equitable Soc.....	215,444	141,964
Farm Bureau Mut.....	30,468	8,038
Federal Life & Cas.....	7,699	4,608
Fid. & Cas.....	21,570	7,569
Fireman's Fd. Ind.....	1,922	41
Gen'l. Accl.....	27,907	11,213
Gen'l. Cas. Wash.....	1,177	150
Gen'l. Reins.....	6,135	1,431
Glens Falls.....	7,880	3,133
Globe Ind.....	6,256	2,136
Great Amer. Ind.....	2,183	327
Hartford Accl.....	15,017	9,142
Home Ind.....	39	.....
Ill. Bankers Life.....	293	10
Ind., N. A.....	13,831	3,449
Independence.....	446	119
Inter-Ocean Cas.....	20,129	8,012
Inter-State Bus. Men's.....	5,826	3,051
John Hancock Mut.....	6,195	3,548
Keystone Auto. Club.....	4,562	607
Liberty Mut.....	905	150
Lond. & Lanc.....	3,143	2,844
London Guar.....	4,592	4,043
Loyal Protect. Life.....	13,639	5,316
Lumb. Mut. Cas, Ill.....	23,889	3,791
Mfrs. Cas.....	30	.....
Maryland Cas.....	29,368	6,894
Mass. Bonding.....	25,142	11,337
Mass. Cas.....	12,659	2,847
Mass. Ind.....	53,600	13,337
Mass. Protect.....	96,047	51,099
Merch. Mut. Cas.....	57	.....
Metro. Cas.....	6,262	1,521
Metrop. Life.....	448,697	234,064
Monarch Life.....	124,023	40,729
Mut. Ben. H. & A.....	362,532	131,514
Nat'l. A. & H.....	116,584	29,718
Nat'l. Cas.....	52,223	31,071
Nat'l. L. & A.....	126,006	36,993
New Amsterdam.....	11,044	5,959
No. Amer. Accl.....	50,720	13,395
Norwich Union.....	2	.....
Occl. Indem.....	495	44
Ocean Accl.....	8,650	2,016
Ohio Cas.....	1,680	639
Pac. Mut. Life.....	32,382	16,465
Paul Revere Life.....	24,119	4,892
Peerless Cas.....	21,262	6,477
Penna. Cas.....	728	759
Phoenix Ind.....	5,065	1,324
Preferred Accl.....	3,118	2,031
Protective Ind.....	202	48
Provident L. & A.....	38,918	20,038
Prudential.....	107,798	65,721
Reliance Life.....	38,863	13,389
Royal Indem.....	2,780	997
St. Paul-Merc. Ind.....	2,727	238
Security Mut. Cas.....	2	.....
Security Mut. Life.....	677	467
Shelby Mut. Cas.....	86	.....
Standard Accl.....	7,282	3,548
Standard Surety.....	79	49
State Auto. Mut.....	3,131	60
Sun Indem.....	610	383
Travelers.....	402,593	203,983
Union Mut. Life.....	14,734	2,855
United Ben. Life.....	5,268	798
U. S. Cas.....	19,843	8,655
U. S. F. & G.....	21,443	6,309
Utica.....	23	150
Wash. Nat'l. Life.....	283,569	78,740
Yorkshire.....	27	.....
Zurich.....	11,389	6,736
Total, 1942.....	\$5,745,273	\$2,863,282
Total, 1940.....	\$3,237,311	\$1,547,858

#### SPRINKLER LEAKAGE AND WATER DAMAGE

	Premia.	Losses
Aetna Cas.....	6,675	1,502
Great Amer. Ind.....	132	.....
Ind., N. A.....	187	.....
Maryland Cas.....	3,438	209
U. S. F. & G.....	243	60
Total, 1942.....	\$ 10,645	\$ 1,761
Total, 1940.....	\$ 6,969	\$ 1,226

#### CREDIT

	Premia.	Losses
Amer. Credit Ind.....	56,221	211
Employers Reins.....	1,699	.....
Gen'l. Reins. Corp.....	1,143	.....
London Guar.....	11,157	.....
Total, 1942.....	\$ 70,220	\$ 211
Total, 1940.....	\$ 48,468	\$ 9,904

#### LIVE STOCK

	Premia.	Losses
Hartford Accl.....	185	.....
Hartford Livestock.....	8,980	2,885
Total, 1942.....	\$ 9,165	\$ 2,885
Total, 1940.....	\$ 11,285	\$ 5,530

#### STEAM BOILER AND MACHINERY

	Premia.	Losses
Amer. Employ.....	1,078	.....
Amer. Guar. & Liab.....	3,681	.....
Amer. Reins.....	5	.....
Columbia Cas.....	2,141	223
Cont. Cas.....	785	.....
Eagle Ind.....	2,505	.....
Employers Liab.....	12,971	3,989
Excess.....	376	.....
Fid. & Cas.....	9,296	392
Gen'l. Accl.....	2,385	.....
Gen'l. Reins.....	2,573	.....
Globe Indem.....	8,994	183
Hartford St. Boiler.....	79,381	4,439
London Guar.....	1,212	.....
Lumbermen's Mut. Cas.....	25,575	859
Maryland Cas.....	25,935	33,937

## Means of Gaining Security Also Is Important

There have been some splendid objectives encompassed in various social security plans now being discussed, but just because these objectives are sound and can be agreed upon by all of the people they should not necessarily be provided by government, John R. Peterson, counsel of Continental Casualty, said in a talk at a luncheon of the Insurance Agents Association of Chicago.

Mr. Peterson called attention to the statement by Winston Churchill, prime minister of England, last week that he is a champion of national compulsory insurance for all classes and for all purposes. Mr. Churchill also said that there is no better investment than milk in babies. No one will deny this, Mr. Peterson said, but it is much better that children get it from mothers than from a bureau for politicians. The manner of accomplishing some of these objectives remains extremely important. In discussing the expansion of social security the proposals often confuse the ends with the means. Mr. Peterson believes it is one of the most insidious fallacies in human reasoning, that the end justifies the means. If it is good for the government to provide a part of social security, then it is concluded by many that it is a good thing for the government to provide all security to the individual. Yet this would eliminate the possibility of development of the individual in character and ability to furnish some of the items of security himself.

#### Discusses Practical Tax Problems

Mr. Peterson conducted a question and answer session on handling tax and other matters with government agencies. He pointed out that the individual should realize that a government representative is human, and that any problems insurance people have to take up with such bureaus should be taken up in a reasonable and friendly but firm way.

Insurance commissions as a whole are not affected by the wage and salary stabilization regulations, Mr. Peterson said. Consequently the rate of commission could be changed. However, this is not true in all cases. The social security yard stick should be applied. If the agent is paid partly in wage or salary, then the rate of commissions is frozen. However, if such an agent sells more insurance and earns more money, this is not a violation of the stabilization regulations.

If Chicago is put on a 48-hour week, Mr. Peterson suggested that insurance offices pay time and a half. Otherwise the issue of compliance with the wages and hours law is bound to come up. Insurance companies have been complying with this law while contending that they are not legally subject to it because insurance is not commerce.

About 35 attended the meeting. Bradford Gill, president, presided.

#### Add to Ind. Casualty Figures

Preferred Automobile of Michigan, which withdrew from Indiana as of Dec. 31, 1942, had total premiums in that state in 1942 of \$38,422 and losses of \$20,377. This would make the totals for casualty business done in Indiana last year \$46,934,578 premiums and \$17,803,482 losses. Auto liability premiums would be \$7,207,348 and losses \$2,894,467. Property damage and collision totals would be \$7,252,961 premiums and \$3,563,284 losses.

	Premia.	Losses
Mutual Boiler.....	3,697	.....
Ocean Accl.....	9,192	2,365
Phoenix Indem.....	450	77
Royal Indem.....	25,844	2,015
Security Mut. Cas.....	910	.....
Travelers Indem.....	5,319	.....
Total, 1942.....	\$ 227,571	\$ 49,467
Total, 1940.....	\$ 197,658	\$ 16,620

## Income Tax Is Treated in Variety of Ways in Preparing Annual Results

NEW YORK—The practice of a number of casualty companies in taking out federal income tax from underwriting expenses before calculating their gain and loss exhibit figures makes a considerable difference in their underwriting expense ratio, T. C. Morrill of the casualty department of A. M. Best Company told the insurance committee of the Young Men's Board of Trade. When this is done, the income tax figure is reported on page 9 of the convention blank, under the miscellaneous exhibit.

Two companies with about the same underwriting results show a difference of 7% in their underwriting expense ratios because of the different manner in which the income tax item is handled in their statements. The same situation is true of the fire companies, but the item is a negligible factor because of the small underwriting gains. Generally the casualty companies had an excellent year and income tax was as much as \$3,000,000 in some cases, Mr. Morrill said.

#### Look at Statutory Results

Too many people look merely at the statutory underwriting gains or losses in analyzing financial statements, Mr. Morrill stated. One company writing automobile finance business paid an income tax equivalent to 66% of its premiums because a large amount of its reserves was released by the decline in premiums and this was taxed by the government as "profit."

Two spheres must be considered in analyzing financial statements, underwriting and investments. No life company has ever failed because of underwriting losses. In determining financial solvency, the ratio of liquid funds to liabilities and not to assets is used by his firm, he said. The average safety

## Washington Revises Auto Responsibility and Bond Laws; Pass Victory Car Bill

SEATTLE—Washington's financial automobile responsibility law has been amended to prohibit the suspension of an operator's license where the car owner was not operating the vehicle at the time of the accident. The automobile inspection law was repealed.

A bill was passed setting up license requirements for victory vehicles—those carrying six or more persons to and from war plants. Licensing requirements include a provision that public liability and property damage insurance be carried.

Three surety bills were enacted clarifying bond requirements of collection agencies, eliminating multiple liability under real estate broker's bonds and providing that political subdivisions pay the premium on public official and deputy bonds.

#### Confer on Surplus Line Problems

SAN FRANCISCO—William E. Leiby, Los Angeles accident and health general agent, and George Walker of George Walker & Co., both directors of the California Surplus Line Association, were in San Francisco for a conference with department officials and A. R. Krause, assistant arbitrator, on problems confronting surplus line men arising out of the war. Mr. Walker is chairman of the Los Angeles unit of the association. Several matters having to do with the problem of placing business with Lloyds under war restrictions are expected to be solved by negotiation in the next few weeks.

A compulsory automobile insurance bill has been introduced in the Wisconsin legislature.

margin in the casualty business has gone up materially in the past 10 years and the business as a whole is well financed.



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25,000 or Over.....	More than 175
10,000 or Over.....	More than 250
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## OBSERVATIONS

## Hospital Policies

Hospitalization insurance either as a group or individual proposition is becoming more and more popular. Companies have had sufficient experience now to guide them in the future. Usually the unprofitable experience has been due to the fact that the contracts have covered pregnancy. People have taken out hospital insurance with the knowledge that a hospital may be useful in a few months. Thus the selection has been against the companies. Where this has been eliminated the companies find that there is much better chance for profit. Hospital insurance has developed like the green bay tree. However, adequate rates must be charged to insure profit.

## No Price Competition

In the automobile insurance field now competition as to price is practically eliminated. Rates have been reduced to such an extent by all companies that there is very little difference. Therefore more than ever competition will be based on coverage and service. It means that when a customer is simply handed a policy and his insurance man does not consider whether he is fully protected or not, he cannot be called a service giving producer. Many agents are neglecting to sell automobile medical payment protection in connection with the liability policies. This now costs from \$5 to \$20 for \$2,000 insurance. The premium is based on the liability premium, being higher in the very large cities. The units of protection run from \$250 to \$2,000. Those who have studied the situation carefully find that four out of every five people will take it without further ado. In selling medical payments coverage one thus helps to fill up the hole created by reduced liability and property damage rates.

## Accident Business

Companies with a fine backlog of accident insurance are certainly fortunate. To make accident and health insurance profitable requires very experienced and intelligent supervision. Companies that make a side issue of accident and health are pretty sure to lose money. Those that have a bangup accident and health department with competent supervision and watch the class of business they write will soon find that this is a business that pays.

## Watch Overhead

With the thought in mind that 1943 and succeeding years may be lean, companies will have to watch the leaks. They will begin to analyze their overhead expense and see if any curtailment can be made without jarring the machinery too much. There are certain fixed expenses from which there is no escape. However, during prosperous times there is a tendency to lose sight of economy and develop expensive customs in many ways. The companies will spend money where under ordinary conditions they would not think of so doing. Just at present all offices have

had to increase salaries which adds to overhead expense. So long as the war is going on that cannot be remedied. Almost all companies have had to add a number of women and those in their employ who have shown intelligence and capacity for development have been promoted to higher positions and receive more remunerative compensation. Executives, therefore, will begin to take far more interest in analyzing their outgo and see what can be lopped off.

Those companies that have a sense of successful continuity for their institutions are not overlooking the fact that it is necessary to inject youth into organizations. Just at present owing to the war it is impossible to train young men of military age but these companies appreciate the fact that there is what might be termed a layer of younger men below the chief executives that should be pushed forward. They are not likely to be called into service. Some companies are dying of dry rot largely because of too many oldsters at the top. Young men are more resourceful, more alert, more given to experimenting or daring in some ways, more eager to try themselves out. Where they are given sufficient rope and responsibility they rise to the bait or fall. A management or board of directors can be said to be unsuccessful if it does not have a sharp look to the future and prepare a line of succession.

## Defense Premiums

Some insurance offices realize that the so-called defense plant premiums will be more or less temporary and when the war is over there will be a drastic dislocation of industry and the pressure will be off. They are keeping a separate account of these premiums so that they will not get in the regular annual business. For instance, 1942 will show a big increase in premium income in many offices owing to these large risks. That will reveal an abnormal increase. Offices that want to keep records that will present the true situation realize the fact that these abnormal premiums so-called should not be put in the same class as the regular mine run of risks. The loss of a defense work premium or a material reduction will create a hole in the premium income. Therefore offices that have risks of this kind do not want to get in their annual figures these premiums which now are unusual.

## Wisconsin Clings to Old Charitable Immunity Theory

In the recent case of Schau vs. Morgan and Evangelical Deaconess Society of Wisconsin, the Wisconsin supreme court upheld the established doctrine in that state of immunity of a charitable

institution from liability and declined to make an exception to this doctrine because the defendant, a hospital, carried liability insurance. There has been some sentiment in the courts of other states toward making this exception where the doctrine of immunity has been in force.

Mrs. Schau, the plaintiff, sued Dr. J. E. Morgan, a physician, and the Evangelical Deaconess Society, which operates a Milwaukee hospital, for alleged malpractice resulting in her child being born dead at the hospital. She claimed that the doctor did not arrive at the hospital in time and that hospital attendants prolonged labor by mechanical means, with fatal results to the child. The hospital defended on the ground that it is a charitable institution and as such exempt from liability, while Mrs. Schau's attorneys contended that carrying liability insurance negated this defense.

## Hospital's Stand Sustained

A lower court denied a motion of the hospital for a summary judgment dismissing it. The hospital appealed and the supreme court reversed this motion, affirming the Wisconsin doctrine of exemption of a charitable institution and stating that carrying liability insurance does not affect this status. Dr. Morgan was not a party to the appeal so apparently the plaintiff is free to proceed against him.

In the opinion, the court quoted the Massachusetts case of Enman vs. Trustees of Boston University, 170 N. E. 43, holding that carrying liability insurance is immaterial. It did not refer to the more recent Colorado case of O'Connor vs. Boulder, Colo., Sanitarium Association, 96 Pac. (2nd) 835, in which the Colorado supreme court upheld the doctrine advocated by the plaintiff.

## School Board Insurer Pays for School Bus Injury

An interesting school bus case has been decided by the Kentucky court of appeals which unanimously upheld the right of a pupil to recover damages from a company insuring a board of education. The lower Knox county circuit court had dismissed the suit, basing its action on an appellate court ruling in a 1938 case that held such boards performed a governmental function in transporting pupils and were therefore not liable for damages.

The appellate court reinstated the damage suit, which was filed on behalf of C. J. Taylor, 15, who claimed he was injured through negligence of a school bus driver employed by the Knox county board of education. The appeals court ruled that a 1940 legislative act authorized the school boards to take out insurance policies to cover damages and therefore any damages awarded might be collected from the insurer. The court added that in no event can the judgment be collected out of school funds. American Surety was the insurer of the Knox county board of education.

## Insurer Upheld in Suit Under Water Damage Policy

An interpretation of what constitutes "surface waters" is contained in Michigan supreme court decision involving a water damage policy. Fenmode, Inc., operator of a ladies' ready-to-wear store in Detroit, sued Aetna Casualty under a water damage policy for damage to a stock of merchandise in its basement following a heavy rainstorm June 12, 1941.

The policy excluded loss or damage caused directly or indirectly by "floods, inundation, backing up of sewers or drains, or the influx of tide, rising or surface waters." Fenmode claimed the damage was caused by water entering the premises directly from a defective spout, through an air duct, through a partly open window and through a defective back door. The insurer claimed that the damage was caused by surface waters which flowed under the defective door. After an examination of the evidence, the appeal court held that testimony supported the trial judge in concluding that the damage was caused by surface waters.

The store manager testified that a downspout at the rear of the store was broken and the landlord was notified to repair it but this was not done. Aetna Casualty in its cross examination introduced in evidence a statement signed by the store manager the day after the storm in which he stated that there was water over the flooring in the back near the door and on the steps leading into the basement and that the damage was caused by the defective drain pipe. The water, he testified, instead of being carried away through the pipes, ran down into the driveway and the accumulation was too much for the sewer to carry.

When requesting a chart of financial and business figures on the companies, be sure to ask for the **Argus Chart**—it contains much more information.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Increase Liability on Turkeys in Minn. and Dakotas

In the new rates and rules promulgated by the Fire Underwriters Inspection Bureau, Minneapolis, for Minnesota, North and South Dakota, effective March 22, the special rules covering insurance on turkeys have been revised to permit a 25% increase in limits of liability. This would increase the maximum liability that will be accepted by the companies from \$2 to \$2.50. The companies have had a \$10 deductible, which now would be increased to \$12.50. Rates are increased proportionately. The maximum is for birds six months old or over.

Farmers have been anxious to have the companies increase the amount of liability they would assume on turkeys because prices have been steadily climbing.

The farm extended coverage endorsement has been revised to include coverage against civil commotion. The new standard term rule, 2½ years for three annual premiums and four years for five annual premiums, is now in effect, and all farm rates are readjusted accordingly. The new standard short rate table was adopted.

The fire and lightning grain extension endorsement has been revised to include all grain, flax and soy beans. In the past this endorsement has covered only certain specified grains and has not covered flax and soy beans.

The schedules were revised to include the special rate applicable to personal property other than household goods, covering such property in or out of buildings and temporarily on or off the premises. The rate formerly was 75 cents for one year and \$1.50 for three years for fire and lightning and is now 40 cents and \$1 for those coverages.

There is a new credit for dwellings of brick or stone construction, four cents for one year and 10 cents for three years. The special rate for feeder cattle is now adopted in the three states.

Rates are revised slightly, primarily to effect the new term rule.

#### MORE TURKEYS IN 1943

Turkey growers plan to raise about 37,000,000 birds this year, according to the U. S. department of agriculture, 12% larger than the 1942 crop. Turkey producers in the west north central states accounted for 33% of the turkeys raised in 1942, the western states 27%.

### Iowa Salary Boost Defeated: Reduce Company Capital Requirements

DES MOINES — The Iowa senate has defeated an amendment to the appropriation bill which would have increased the insurance commissioner's salary from \$5,000 to \$6,000 a year. Senators for the increase claimed the department did the biggest business and was being run more economically than any state department. Opponents argued that the senate was on record as opposed to any salary increases for those in the higher salary bracket.

The house passed the senate bill reducing the paid-up capital requirement from \$500,000 to \$300,000 for casualty companies to sell fidelity and surety bonds.

A bill revising bond and insurance

requirements for warehouses storing agriculture products was passed by the house. Contents must be kept fully insured by the warehouseman for the current value against loss by fire, inherent explosion or windstorm. Insurance must be in a company authorized by the state insurance department and evidence of such insurance must be filed with the state commerce commission. New minimum limits of bonds required of the warehouseman are: Storing 12,000 bushels \$3,000 plus \$1,000 for each 4,000 bushels or fraction thereof up to 40,000 bushels; 40,000 to 100,000 bushels, \$10,000 bond plus \$1,000 for each 6,000 bushels over 40,000; and for over 100,000 bushels, \$20,000 plus \$1,000 for each 10,000 bushels in excess of 100,000 bushels.

### Nebraska Mutuals Advised to Build Up Reserves

LINCOLN, NEB. — At the annual meeting here of the Nebraska Association of Mutual Insurance Companies, W. C. Watson, Pierce, was elected president; Oscar England, Axtell, vice-president; and O. S. Gilmore, York, secretary-treasurer.

Retiring President John Havekost of Hooper recommended that mutuals build up strong reserves to take care of the situation that will be faced after the war.

H. J. Requate, attorney for the Farmers Mutual of Nebraska, advised coverage of vacant property at an added small premium. Insurance Director Fraizer, State Fire Marshal Carter and H. P. Cooper of Indianapolis, national secretary, also spoke.

A resolution was adopted condemning the bill before the legislature making companies collection agencies for delinquent taxes on destroyed property.

The Nebraska Farmers Mutual Reinsurance Association, meeting in connection with the state gathering, voted to extend the present wind and tornado business to include fire insurance.

### Even Browne, Jr., New Kansas Agents Secretary

Even H. Browne, Jr., well known Kansas City, Kan., agent, has been named secretary-treasurer of the Kansas Association of Insurance Agents replacing Wade Patton, Hutchinson, who is on leave of absence devoting full time to work with the midwest procurement district of the army air forces at Wichita.

The executive committee of the association met in Topeka, granting Mr. Patton's request for the leave of absence and naming Mr. Browne to serve until the annual meeting in October.

President Edwin S. Nellis, Topeka, accompanied Mr. Browne to Hutchinson to secure the books and records from Assistant Secretary Dorothy Patton, who is leaving to complete her studies at Northwestern University. Mr. Browne, a former building and loan executive, has been in the agency business for several years and has been active in the affairs of both the Kansas City and state associations.

### Crack Down on Cincinnati Building Code Violators

CINCINNATI — Efforts are being made to crack down on flagrant violations of the building code here, Louis Schraffenberger, city safety director, reported before the Cincinnati Fire Underwriters Association. Improvised wiring

on installation of juke boxes without permission or inspection is causing fire losses, he stated. He also reported on the improvement in traffic accidents.

Walter H. Alexander, chairman educational committee, announced the appointment of a committee of 12 agents, as a larger committee is necessary to cope with the problem which was increased threefold. The association is co-operating with the CPCU movement. Efforts will be made to train new clerks, many of whom know little of agency practices or insurance. The Cincinnati association is also holding special educational meetings for solicitors.

### Winfield, Kan., Lightning Loss

Lightning struck the 125-foot brick smoke stack of the Winfield, Kan. municipal electric light and water plant causing the stack to collapse and crash through the boiler house roof, killing three workmen and injuring three others. Damage to the plant was estimated at \$10,000, although no fire occurred.

Insurance including fire and supplemental coverage with the 90% coinsurance clause had been in force only since Jan. 1, 1943, included in a general form covering all city properties. Prior to that there had been no insurance on the light and water plant. A committee of the Winfield Board sold the coverage in August, 1942, but having insufficient funds in the 1942 budget, the city arranged for the coverage to become effective Jan. 1. The loss will approximate the combined five-year premium on the entire schedule.

### Continue Corporation Review

MINNEAPOLIS — The Insurance Buyers Association of Minnesota at its meeting March 23 continued the round table discussion on "An Ideal Insurance Program for a Corporation." P. L. Bachman, president of the association and discussion leader, has set up a mythical corporation under the name of the Hyp Drug Co., which has factories, sales office and warehouses scattered over the country. The members of the association are invited to give their ideas on the type of insurance coverage such a corporation should carry.

### Quiz Session in Toledo

TOLEDO, O. — The Toledo Association of Insurance Agents polled its membership regarding programs desired at meetings, with those of an informative nature leading in preference. As a result, George Stahl, chairman of the program committee, arranged a quiz session on fire insurance for the March 23 meeting, with the board of experts consisting of Chester F. Siler, Ohio Inspection Bureau; Neal Hummel, Ohio Audit Bureau, and John L. Epler, manager of the Western Adjustment.

### Detroit Women Elect

The Insurance Women's Club of Detroit has elected the following officers: President, Agatha McCarthy; first vice-president, Jane Burt; second vice-president, Irene Varran; secretary, Patricia Dates; treasurer, Lillian Routinen, and directors, Carrie B. Duckworth and Theresa Ochsenkehl.

### Bolen Is Salina President

Allen W. Dodge, president of the Salina (Kan.) Insurance Board, has resigned to enter war work with the Boeing Aircraft Company in Wichita. Dan Bolen of the Spradley-Bolen Agency has been named to fill out his unexpired term.

### Mich. Department Detroit Office

DETROIT — The Michigan department has opened an office in Detroit in

the Transportation building, with the office of the receiver of Central West Casualty. It will be open the second and fourth Wednesdays of each month. Commissioner Forbes or one of his deputies will be on hand at those times. This action has been taken because gas rationing and crowded transportation make it difficult to get to Lansing.

### Increase Dane County Coverage

MADISON, WIS. — Following a re-appraisal of buildings and equipment at the Dane county home and asylum, fire, tornado and extended coverage will be increased almost three times. The present \$180,000 coverage will be increased to \$510,000, with 80 percent coinsurance, in a five-year policy. The buildings alone, appraised at \$506,000, will be insured for \$408,000 as against \$113,410.

### Leavenworth Board Elects

The Leavenworth (Kan.) Insurance Board at its annual meeting elected Eugene D. Kelly president, succeeding H. G. Sawyer of the Suydam agency. Ed F. Reilly was elected vice-president and W. W. Fluharty of the Reyburn agency, who had filled out the unexpired term of G. F. Bernhardt, was reelected secretary-treasurer.

### Rate Cuts in Many Minn. Towns

MINNEAPOLIS — Fire insurance rates in 70 northern Minnesota cities and villages have been reduced 12 to 15% on non-fireproof mercantile and public buildings. It is estimated the saving in premiums will approximate \$100,000 a year. Among the larger towns included are Brainerd and Grand Rapids.

### Tigue Detroit CPCU Speaker

DETROIT — W. B. Tigue, marine specialist of Johnson & Higgins, discussed ocean marine rates, loss experience and adjusting practices before a group of Detroit agents and field men who are studying for the CPCU examinations. M. Robert Olp, former president of Dearborn National, will speak soon.

### More Funds for Wis. Department

MADISON, WIS. — The finance committee of the legislature has recommended an appropriation of \$190,000 for the insurance department for the 1943-45 biennium. This is an increase of \$5,000 over the amount recommended by Governor Goodland in his budget message.

### NEWS BRIEFS

Arthur Dubray, formerly of Muskegon, Okla., has succeeded Bert Keene as manager of the Solomon Stoddard & Co. local agency in Kansas City.

Eli Bounous, secretary of the Wichita Association of Insurance Agents, heads the clean-up week committee in Wichita.

The St. Louis court order of **Cats Meow** held a luncheon Wednesday at which the 1943 officers were presented.

Harold Christensen, of the N. Christensen & Son agency, Racine, Wis., has been nominated for mayor there.

C. M. Page, state agent Northern Assurance, spoke to the **Sioux Falls (S. D.) Association of Insurance Women**.

C. E. Daniels, who resigned some weeks ago as Illinois state agent of the Norwich Union, has opened his agency at 28 North Ottawa street in Joliet. He immediately took on the Norwich Union Fire and Norwich Union Indemnity.

Dennis J. McLaughlin, younger son of Edward F. C. McLaughlin, Peoria, Ill., agent, has been appointed an assistant secretary of the firm. Dennis Mc-

Laughlin will assume his duties after the war. He is serving in the army air corps. His brother, Edward J. McLaughlin, is the other assistant secretary of the firm. He is serving in the naval air corps.

The Ohio senate has passed a bill permitting subdivisions to interchange fire-

fighting apparatus as well as a measure permitting cash bonds in appeals from courts of justices of the peace.

Carl F. Trager of Lansing, vice-president of the Michigan Association of Insurance Agents, has been appointed acting chairman of the Ingham county war price and rationing board.

part of the month to R. P. Goodloe, manager of the Florida Rating & Inspection Bureau at Jacksonville.

#### \$150,000 Refining Plant Loss

Fire did an estimated damage of \$150,000 to the West Tulsa, Okla., refining plant of the Mid-Continent Petroleum Corp. The No. 1 pump house was a total loss, two 12,500-barrel tanks of light oil, 20 small storage tanks and an 8,000 gallon tank of ethyl gasoline also were destroyed.

#### Mobile Agency Reorganized

The Herbert Lyons & Co. agency, Mobile, Ala., has been dissolved on account of the death of Mr. Lyons and the Lyons Insurance Company organized in its place. Partners in the new agency are Marion H. Lyons, B. B. Chamberlain, Sr., J. H. Lyons and W. B. Jones, the latter a new member of the firm.

#### Arkansas Agents' Meeting

The officers and members of the executive committee of the Arkansas Association of Insurance Agents met last week at Little Rock and decided to hold the annual meeting at the Arlington Hotel, Hot Springs, May 14-15.

#### F.C.A.B. Southern Shifts

T. H. Cook, Jr., Fire Companies Adjustment Bureau, will be transferred

from the New Orleans office to Alexandria, La., April 1, and Lewis T. Powers from Atlanta to New Orleans.

#### NEWS BRIEFS

The agency of Mizell & Peters, of Waxahachie, Tex., which has been in business for 45 years, will be continued under the same name with Mrs. Herbert N. Peters taking over the interest of her late husband. George P. Mizell is the other partner.

J. B. Lauck has sold his agency at Pharr, Tex., to E. L. Greene, who will merge the agency with his own. Mr. Lauck will return to his old home at Mena, Ark.

J. S. Carlton, who sold his interest in the W. L. Dinn & Co. agency, Corpus Christi, Tex., planning to enter the army, has bought back his interest.

#### Hint Ore. Commissioner Change

PORTLAND—Changes in appointive offices, including that of insurance commissioner, are hinted in Oregon now that the legislature has adjourned. Governor Snell, it is reported, probably will soon announce appointment of new department heads. One Portland newspaper mentioned William Leary, now chief deputy in the Oregon department, as possible successor to Commissioner Seth B. Thompson.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

## IN THE SOUTHERN STATES

### Loss to Radio Transmitter Held Covered in Ark.

United States Fire unsuccessfully invoked the electrical exemption clause before the Arkansas supreme court in denying liability for damage to radio apparatus in a broadcasting station owned by Universal Broadcasting Corporation. Fire began somewhere in the lower part of the metal cabinet housing tubes, coils, chokes, condensers, registers, modulators, amplifiers, etc., and referred to as the transmitter. The supreme court stated there was no evidence which would have compelled the jury to find that the fire was caused by electrical currents whether artificial or natural. The burden of proof was on the insurer to show that the loss was caused by such an electrical current.

The electrical exclusion clause, according to the court, excludes only such loss as is caused to the apparatus by electrical currents artificial or natural (including lightning) and that the second part of the clause: "and will be liable only for such loss or damage to them (the apparatus) as may occur in consequence of fire outside of the machines, appliances or devices themselves" is not meant to limit further the liability of the insurer but is a mere explanation.

Rowell, Rowell & Dickey represented U. S. Fire and Bridges, Bridges & Young represented Universal.

### Hail Insurance Men in Successful Dallas Parley

In selling hail insurance the agent is not only protecting the crop farmer who buys, but the banks, business houses and citizens, Alfonso Johnson, manager of the Dallas Insurance Agents Association, said in his talk at a conference in Dallas of adjusters, agents and company men.

James B. Cullison, Jr., Chicago, manager of the Rain & Hail Bureau, reviewed the difficulties of getting companies to underwrite hail risks in the early days. "We can be proud of the hail insurance business which in 1942 paid some 100,000 claims with very few disputed or unsettled claims," he said. "The hail adjuster has become a professional man; the undesirables and unqualified have been weeded out."

Professors Paul B. Dunkel and I. M. Atkins of the agricultural experimental station at Denton, Tex., described the growth and development of the small grains and of cotton and told how to

determine hail damage from disease and insect damage.

The two-day session was in charge of K. T. Martin, K. T. Martin-Floyd West & Co., Dallas, and Price K. Johnson of Cravens-Dargan general agency, Houston.

### Noxious Measures Filed in Texas Legislature

AUSTIN, TEX.—A number of bills affecting the fire and casualty business have been filed in the Texas legislature. One bill would invalidate the 60-day provision of the standard fire policy and would penalize companies 12%, plus attorney fees, if claims are not settled within 30 days "after demand."

Another bill that has the approval of the stock companies and their agents would make an employer liable for outstanding compensation unpaid to his employees if his insurer becomes insolvent.

A compulsory automobile liability bill is opposed by the Texas Association of Insurance Agents.

A bill changing the present law levying occupational taxes is being closely watched so that local agents who occasionally settle or adjust claims will not be included under the general term of "adjuster."

### Action Needed, Howell Warns

LITTLE ROCK, ARK. — Endorsing the public relations program outlined at the National Association of Insurance Agents meeting in Tulsa, Van Howell, Fayetteville, Ark., chairman executive committee and national state director of the Arkansas Association of Insurance Agents, in a special letter admonished Arkansas agents that there are still developments threatening the local agency system.

Mr. Howell urged agents to protect their system through a stronger state association and a comprehensive public relations program. "Positive and determined offensive action on our part alone can help us to ride through the changing economic weather which lies in front of us. This, we can do collectively, only through a strong state and national association."

### H. P. North in Virginia

RICHMOND—H. P. North, assistant director of the Business Development Office, spoke at a group luncheon meeting in Richmond this week sponsored by the local board. He discussed some phases of the work of his office. Agents from Reedville, West Point, Bowling Green, Saluda, Waverly, Warsaw, Hopewell and Gloucester were guests of the Richmond office. The same day, Mr. North talked to the Stock Fire Insurance Field Club of Virginia in Richmond. The following day he addressed the Norfolk local board.

Oscar H. West, manager of the Virginia Association of Insurance Agents, also spoke at the agents' meeting here.

### Florida Local Board Changes

New officers of Florida local boards are:

Lakeland—President William Stertz, succeeding Frank H. Thompson; Georgia Potter, secretary, reelected.

Sarasota—Ernest C. Smith, president, succeeding Gerald Ludwig, now captain in the army; Helen Bykefeer, secretary, succeeding Lucy Hamlin. Miss Hamlin retires to be married the latter

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## EASTERN STATES ACTIVITIES

### Move for High Qualification Regulations in R. I.

Commissioner Carroll of Rhode Island has prepared for introduction into the legislature a bill creating a five member board of insurance qualification which would supervise the examinations for insurance producers other than life and would otherwise cooperate with the department in licensing affairs. The bill provides that the board, to be appointed by the governor, would be composed of a member of the faculty of the business school of Rhode Island State College, the insurance administrator and one representative each of the stock companies, mutual companies and agents. In cooperation with the insurance department, the division of industrial extension in Providence of the State College would establish insurance courses. Those seeking license for the first time would be required to complete such a course before being permitted to take a license examination. Other accredited schools would be permitted to establish similar courses.

Brokers would have to complete 100 class hours before being admitted to examination and agents would have to complete courses in the line which the insurance companies which they represent are authorized to write.

Mr. Carroll states that the examinations for license in Rhode Island have been weak because of inadequate personnel in the department.

Complete authority as to issuance or withholding, revocation or suspensions of license would remain with the commissioner. The bill would permit the commissioner to issue an emergency license to permit someone to carry on the business of a producer who is called to military service, dies or is seriously ill. A new agent would be permitted to have not more than 25 percent of his business originating from partnership, stock ownership or relationship, or business of employer or employees.

The board of qualifications should be authorized to award a professional designation of "certified insurance counselor" upon complying with certain requirements.

### Phila. Broker Loses to Pearl

A judgment for Pearl for \$1,855 given in an action of trespass against National Insurance Agency, Inc., and Rovno, the only stockholder of the agency, has been affirmed by the Pennsylvania superior court. The agency admitted contract liability for premium collections that it had not turned over to Pearl but it denied liability for conversion on the theory that it was licensed as a broker and not as an agent. Rovno individually denied any liability, on the ground he was acting only as the agent of National Insurance Agency, Inc.

The fact that the insurance department act distinguishes between agents

and brokers, the court held, does not prevent a broker from acting as agent of an insurer in the collection of the premium and turning it over to the insurer.

With respect to Rovno's personal liability to Pearl, the court stated, it should be noted that he was not only the owner of all the stock of National agency, as well as its president and authorized agent, but he also did all the acts involved in the transactions complained of by Pearl. It thus refused to let Rovno escape liability by hiding behind the corporate veil.

E. H. West, C. Laurence Cushmore, Jr., White & Staples of Philadelphia represented Pearl, while Albert M. Hankin of Philadelphia was Rovno's lawyer.

### New Officers Elected by Big Bluefield Agency

Joseph H. Bowen of Bramwell, W. Va., a prominent coal operator, has been elected president of the Flat Top agency of Bluefield, W. Va., taking the place left vacant by the death of C. A. Bradshaw. Mr. Bowen has been a director of the agency. He is a director of the Pocahontas Fuel Company and treasurer of the Pocahontas Operators Association. Dr. Houston St. Clair, coal operator of Tazewell county and president of the Virginia chamber of commerce, has been elected a director. Roy S. Thompson, who has been vice-president, was elected executive vice-president and will be the principal operating officer. Ralph B. Taylor was elected secretary.

### Maine Fire Investigation Tax for '42 Is Omitted

Commissioner Perkins of Maine has notified fire insurance companies that the fire investigation and inspection tax on premiums for 1942 has been omitted. Refunds will be made to companies that have already paid the tax, which amounts to 1 1/4% of net direct premiums written. The law provides that whenever the special fund to pay for investigation of origin of fires and inspections of buildings is sufficient to defray such expenses for an ensuing period of one year then the tax may be omitted.

### Sawyer to Speak in Newark

NEWARK—The Essex County Insurance Agents Association will hold a dinner at which E. W. Sawyer, general counsel of the National Bureau of Casualty & Surety Underwriters, will talk on the new comprehensive liability coverages.

Herbert L. Brooks of Newark will review the mid-year meeting of the N. A. I. A. directors at Tulsa and Warren Reiner will explain the plan of carrying on the business of members who have been called to service.

### Quiz Program in Pittsburgh

PITTSBURGH—An insurance quiz program between current students and alumni of the Pittsburgh Insurance School will be held April 9 under the sponsorship of the Insurance Club of Pittsburgh and the Pittsburgh Association of Insurance Agents. William C. Fiand, Crum & Forster, is chairman.

## PACIFIC COAST AND MOUNTAIN

### Coercion Bill Passed in Wash.

SEATTLE—A bill making it unlawful for lenders of money to specify any particular agent or company to write insurance on property pledged to secure loans has passed both houses of the Washington legislature.

Apparently caught off-guard, mortgage loan interests were stunned by passage of the legislation. Mortgage loan executives confessed they either had not heard of the bill or thought the likelihood of passage was remote because of the lateness of the bill's introduction. They immediately organized a committee to wait upon Governor Langlie and had a hearing with the governor the day after the session adjourned.

Although there is a great amount of pressure being exerted upon the governor to veto the bill, there is equally strong support among many agents throughout the state in favor of the legislation. Agents are organizing a committee to appear before the governor and present arguments in favor of the measure.

### Utah Solons Adjourn: New Legislation Reviewed

SALT LAKE CITY—The Utah legislature has adjourned. No action was taken on the agents' qualification and countersignature bills.

Bills passed and signed by the governor are: An automobile financial responsibility law; a measure authorizing reciprocals, under certain conditions, to write workmen's compensation; a measure allowing marine companies to pay the state 5% of their profits instead of a 2 1/4% premium tax, and a surplus line bill patterned after the California law, except that agents must be residents.

### Business Development Parleys

LOS ANGELES—John T. Breckon, assistant director BDO, was here making arrangements for sales promotion meetings. He led a panel discussion on "Agency Management" at San Bernardino with agents from Riverside and Redlands attending. The meeting was sponsored by the Southern California Fire Underwriters Association. Participating in the panel were E. S. Alexander and Lloyd Cooper of San Bernardino, and L. E. Mendel, special agent Cravens, Dargan & Co., and Carl Small, special agent Great American.

Mr. Breckon also arranged for a meeting of the Orange County Insurance Agents Association at Santa Ana March 29. Otto Kloppenburg, Hartford Accident, will talk on the new comprehensive personal liability policy.

The San Bernardino & Riverside Counties Agents Association will hold meetings in April and May and the Glendale Insurance Exchange will hold sessions in May and June.

### Seattle Port Wins Fire Suit

SEATTLE—The port of Seattle was held not liable for destruction of fish nets and fishing gear worth \$126,000 in a suit arising out of the fire which demolished the \$1,000,000 Fishermen's Dock in Salmon Bay last year. The suit was brought in the King County superior court by 16 fishermen and three fish packing companies and was decided in the port's favor by a jury. There were a number of charges of negligence in the amount and maintenance of fire fighting equipment and house-keeping at the pier.

The port's fire insurance did not enter into the suit, but the liability of companies on the line would undoubtedly have arisen had it been held that the destroyed property was in the care and custody of the port.

### More Seattle Offices Forced Out

SEATTLE—A dozen or more Seattle offices will be obliged to seek new quarters the end of this month when the coast guard takes over eight floors of the Alaska building. The move was expected several weeks ago, but final removal notices were not issued until this month. Almost all of the offices that will be affected are those of company field men. Carter, MacDonald & Co., one of the largest brokerage offices in the northwest, will move to the Hoge building, occupying the entire ninth floor.

Neither the Washington Surveying & Rating Bureau nor the Washington Insurance Examining Bureau is affected.

### Loman to Speak in Portland

PORTLAND, ORE.—Insurance men are being invited to attend a luncheon meeting of the Portland Association of Insurance Agents April 5 to hear Dr. Harry J. Loman, dean of the American Institute for Property & Liability Underwriters, speak on "Post-War Condi-

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At the March meeting Howard E. Rice, chief boatswain's mate of the coast guard, spoke on "Wake Up America." E. C. Sammons, chairman of the victory fund committee of the Federal Reserve Bank, spoke on the Victory Drive beginning April 12.

#### Parks Succeeds Thurston

SEATTLE—Bert Thurston, for many years supervisor in the office of the Washington Insurance Examining Bureau representing the insurance department, has resigned to go with the C. B. DeMille general agency in the fire underwriting department. To fill the vacancy, Commissioner Sullivan has appointed E. W. Parks, who also will continue to head the department's licensing division. He has held the latter post since 1933. With the sharp falling off of license applications, he will have additional time to devote to his new duties, Commissioner Sullivan said.

#### Wash. Insurance Society Suspends

J. K. Woolley, manager of the Washington Surveying & Rating Bureau, and P. J. Perry, well-known local agent, both of whom are past presidents of the Insurance Society of Washington, have been named trustees of the organization for the duration. They will serve as custodians of its funds and library. Books in the library are being stored. The society this year, for the first time since its formation, is not offering courses in the Insurance Institute. Almost all of the officers and leaders of the group are in service or expect to be at an early date.

#### Herbert L. A. Exchange Manager

LOS ANGELES—Paul S. Sweeney, manager of the Insurance Exchange of Los Angeles, has been inducted into the army and will report at Fort Douglas, Salt Lake City. A farewell cocktail party was given for him.

President Willson Pierce, Jr., has announced the appointment of W. P. Herbert as manager. Mr. Herbert has operated his own agency, is qualified as an architect and builder and has been an automobile distributor both in Pennsylvania and in southern California. He has been active in association and public relations work.

#### Push War Damage in Oakland

To encourage agents and brokers not members of the organization—as well as its own membership—to sell more war damage insurance, the Oakland (Cal.) Association of Insurance Agents is circulating all producers in that area stressing the importance of greater sales activity for this protection.

In a letter to non-members, C. M. Putnam, president, said the association would mimeograph special circulars for them to send to their clients on the agent's own stationery, without cost or obligation.

#### DeMille Agency Changes

R. E. Swan, formerly special agent of the C. B. DeMille General Agency in Spokane, has been transferred to the underwriting department at the head office in Seattle. A. J. Caldwell, formerly Montana field man with headquarters at Great Falls, has been transferred to Spokane to take over Mr. Swan's former field duties. He will continue to travel his old field, in addition to the new territory of northern Idaho and eastern Washington.

#### Idaho Director Named

Robert S. Campbell of Dollard-Perault-Campbell Agency, Boise, has been appointed to succeed Homer S. Lipps of Lewiston, state national director of the Idaho Association of Insurance Agents, who has resigned to go into war work.

#### Washington Officers to Meet

SEATTLE—The spring meeting of the official family of the Washington

Association of Insurance Agents will be held here March 26. A. W. White, chairman of the executive committee, who is also national director for Washington, will report on the public relations program of the National association as unfolded at the Tulsa mid-year meeting.

About 30 agency leaders from all parts of the state are expected to attend.

#### Announce F.U.A.P. Committees

R. L. Ellis, vice-president of Fireman's Fund, has been appointed chairman of the publicity committee of the Fire Underwriters Association of the Pacific. Other members are H. W. Nason, America Fore, and H. B. Mariner, secretary-treasurer of the association. Joy Lichtenstein, Hartford, and Elmer Bonstin, L. R. Eby & Co., have been appointed to the library committee.

#### To Honor Loman in Seattle

SEATTLE—At a luncheon meeting on April 6, the King County Insurance Association will honor Dr. Harry J. Loman, dean of the American Institute for Property & Liability Underwriters. Dean Loman will discuss plans for forming a study group in Seattle.

#### NEWS BRIEFS

W. E. Severance, who last year established a branch of his independent adjusting office in Eugene, Ore., has returned to Los Angeles. Charles Barton, in charge of the Los Angeles office during Mr. Severance's absence, has been made a partner.

T. J. Meenach, secretary of the Spokane Insurance Association, who served as a representative in the 1943 legislature, reported on highlights of the current session at a luncheon meeting.

S. H. Butler is resigning as cashier of the Broughton National Bank, Dayton, Wash., and is taking over the L. L. Burgher agency in Colfax.

## CANADIAN

### McNair Criticizes C. U. A. Contract

TORONTO—The Canadian Underwriters Association's new agency contract plan, introduced last year as a step to improve the competitive position of the tariff companies, is criticized by Superintendent McNair of Ontario in his annual report.

Claiming that this new C. U. A. plan is designed to attract business from competitors, Mr. McNair states that "it ignores the sound principle of payment to the agent in relation to services rendered." The superintendent further suggests that such a plan can be the means of preventing reductions in rates and increase the cost to the public.

Mr. McNair holds the plan "may lead to increased competition in the commissions paid to agents and, if so, will result in a further increase in the cost of doing business which is already at a high level. Fair competition in insurance rates is a healthy condition tending to produce a reasonable cost to the insured. Competition in commissions can only retard or prevent reduction in rates and increase the cost to the public."

#### Great American Advances Child

John H. Harvey, manager for Canada of Great American, has appointed W. G. Child supervisor of the casualty and inland transportation departments with headquarters in Montreal.

#### Royal-Liverpool Canadian Shifts

F. O. Reddrop, formerly assistant manager of the Toronto branch of London & Liverpool & Globe, has been made assistant manager at the Toronto branch of Royal. B. A. Carey, formerly assistant manager at the Toronto branch of Royal, and H. E. Cornell,

chief clerk at the Toronto branch of Liverpool & London & Globe, became assistant managers of L. & L. & G. in Toronto.

## MARINE INSURANCE NEWS

### Company Victorious in Jewelry Claim

NEW YORK—Testimony of three convicts accused by an assured of having stolen her jewelry was an important factor in obtaining a federal court judgment here supporting Springfield Fire & Marine's contention that it was not liable under a jewelry floater policy. As an additional ground for its holding, the court found that the assured could not recover because she had gone into bankruptcy after acquiring the jewelry and even if the loss had occurred as alleged she would have had no insurable interest.

Significance of the court's reliance on the testimony of the three convicts, who were brought from state prisons to testify, lies in the fact that there would be little chance of a higher court overruling a trial judge's judgment as to determination of fact. No jury was involved, neither side having requested it.

The assured based her claim on the allegation that the three thieves had stolen the jewelry from her husband as he entered a hotel during a hold-up of hotel employees. When later apprehended, the thieves admitted robbing the husband but denied taking any jewelry from him. In support of this they stated that as a matter of principle they had always refrained from stealing jewelry and that in their long criminal careers they had never even been accused of stealing jewelry.

The law firm of Rein, Mound & Cotton represented the Springfield. Albert Lyons, formerly assistant United States attorney and now with the firm, conducted the examination of the thieves during the trial. The attorneys had examined the claimant under oath before the trial, this examination being the basis for the insurer's conviction that no loss had been sustained.

#### Cargo Coverage Extended

NEW YORK—American marine underwriters have completed arrangements to extend the period of cargo war risk coverage at transshipment ports beyond 15 days. This has previously been available to assured only through the insurance offered by U. S. and British government offices.

This is an extremely important feature

to insured and to banks and other creditors, since because of war conditions cargoes have been delayed at transshipment ports as long as eight months. The coverage has been available from WSA at a premium of 1% for western hemisphere and 2% elsewhere. This coverage which the commercial market will presumably follow takes care of cases where merchandise loaded on board an overseas vessel is put back on the dock.

### P.P.F. Bill Advanced in Michigan

LANSING, MICH.—Insurance observers are predicting enactment of the Smith bill legalizing the personal property floater in Michigan. The measure is sponsored by the Michigan Association of Insurance Agents.

The senate already has passed the bill, in somewhat amended form, but it is said that an error has been detected in the present version which is to be corrected in the house insurance committee before it is reported to the floor.

### Three-Year PPF Rates in Ill. Slightly Reduced

The three year term premium for the blanket portion of the personal property floater in Illinois has been reduced from 2½ times the annual rate to 2.4 times. At the same time the minimum premium for the three year policy has been adjusted accordingly so that for full coverage the three year minimum premium is \$96 instead of \$100; for the \$15 deductible it is \$66 instead of \$70 and for the \$25 deductible it is \$51 instead of \$55. The reduction is applicable to policies attaching on and after Feb. 1 and refunds will be made on policies that have been issued since that date.

#### WSA Revision on War Risk

WASHINGTON—The War Shipping Administration has issued a revision of its general order 6 and supplements 1 through 9, covering the underwriting of war risk insurance on cargoes, hulls, crews, fishermen and freight interests.

The Maritime War Emergency Board

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has announced a decision with respect to crew war risk life and disability insurance. The details of the decision outline fully the manner in which shippers shall meet the requirement of insurance on crew members, deals with such items as presumptive death, details of the seamen's war risk policy, etc. The board also has announced its decision with respect to loss of or damage to personal effects. There shall be war risk protection furnished crew members on personal effects in conformity with the requirements of second seamen's war risk policy.

## U.&O. Rates Doubled on Old Form

(CONTINUED FROM PAGE 1)

insurance as the housewife currently is eager to buy meat. The realization dawned on underwriters that a comparatively small physical damage loss could produce a U. & O. loss of far greater proportions and that the old relationships of loss probabilities no longer existed. Although there have been a number of tough actual U. & O. losses, the experience over-all, it is believed, remains excellent and an increase in rates would be based upon projected conditions rather than on actual experience. It seems to be a case of taking a tack in the sails in anticipation of a blow.

### Rewriting in Washington

A 50 percent increase has already become effective in California and Oregon. It has not been put into effect in Washington and it is reported that a great deal of the existing business is being rewritten for a term under the old rate.

The Pacific Board stated that it intends to clarify some of the forms and introduce a provision that will recognize contingencies arising out of priority regulations or other governmental war time restrictions.

"While the feeling is divided," the board stated, "there is a strong movement to amend underwriting requirements and revise rates so as to more nearly reflect conditions which were not contemplated when the present rating methods were established."

The 50% increase in rates in Pacific Board territory is not the final action on this line. The executive committee of the board is meeting Thursday morning to consider revisions which have been under discussion for the past year or since priorities went into effect and underwriters experienced some heavy losses. The board, according to reliable sources, adopted 50% increase for all time element contracts as a stop gap until an entire program of rate changes is completed. If the present proposals are approved by the executive committee they will be sent to the entire membership for vote. This will take some time before new rates are actually promulgated.

"This action should have been taken a year ago," a spokesman said. "Some companies have already paid 100% losses on what ordinarily would be a 20% loss." The board membership may consider the new recommendations Thursday afternoon at a special meeting called for another matter.

### NO COMMENT AS TO WEST

Responsible officials in the midwest Wednesday declined to comment on when the U. & O. change would be made effective in that territory.

### ACTION IN S.E.U.A. FIELD

ATLANTA—A new U. & O. endorsement and rules were issued by the S. E. U. A. effective March 23. Policies written without the new endorsement must be at double the ordinary rate.

The endorsement is required on all new policies written beginning with

Be sure to specify the **Argus Chart** when requesting financial and business report data of your company.

March 23, and on any policies which are increased, so far as the increase is concerned, as well as on any policies which are canceled and rewritten.

Pending the printing and distribution of the endorsement agents are instructed that the "required endorsement be type-written on the regular blank form of endorsement."

## Companies Watch Hemp Mill Losses

(CONTINUED FROM PAGE 2)

most power. The boiler is brick encased and uses coal and refuse. The fact that it is in a separate building is a fine arrangement. Commercial electric light and some power is used. Motors are enclosed and there is conduit wiring. There is a small maintenance shop that is kept clean and orderly.

### Equipped with Blower System

The excellent flower system is provided with a discharge into the refuse vault adjoining the boiler room and fed direct to the boiler, to the vault or to a wagon and trucked away. Suction fans in the end wall of the factory carry off dust accumulations.

The risk is located just beyond the limits of a town, and would be served by a motorized volunteer department in case of fire. There is a watchman on 24 hour service.

Few of the hemp mills will make such a good showing from an insurance standpoint. There has not been a large demand for hemp fiber in the past so that the mills constructed before the war are generally not of incombustible construction, not too well arranged, and not located as close to fire protection as the plant described. With the fall of the Philippines and the East Indies the demand for hemp immediately became brisk and prices went up sharply. With government encouraging production with high prices, mills may be thrown together pretty hurriedly in unprotected locations. While the operations are not complicated, the supply of labor at the outset must be drawn from untrained rural people who are not particularly conscious of dust and manufacturing fire hazards. When the Philippines and the East Indies again are opened up for trade it is questionable whether there will be a heavy demand for U. S. grown hemp. With a deteriorated market there will be a moral hazard in connection with insurance on the mills.

There is quite a bit of hemp in warehouse storage nowadays, and insurers are taking lines cautiously.

### Veneer Plants Hazardous

Another type of risk on which it is difficult to complete the coverage is veneer mills. These have returned a poor experience in the past and their operations have expanded greatly today, as they are making parts for airplane gliders.

Like the hemp mills, many of the veneer mills are located away from fire protection, where lumber is available. The inherent woodworking hazards are accentuated nowadays by the difficulty, when expanding operations under the stimulus of demand from the airplane market, of securing trained help. The increased demand has brought about a mushroom growth. Some of the mills are old structures, possibly long abandoned or little used, and quickly repaired and expanded for this kind of operation.

## Legal Liability Cover. Raises Charter Questions

(CONTINUED FROM PAGE 6)

or others who may contract with the Federal Surplus Commodities Corporation to store various food items. The bond or warehousemen's legal liability policy which the warehousemen must file with the various states are much smaller than the amount of liability under the Federal Surplus Commodities

## Convention Dates

March 25—Louisiana local agents, New Orleans, St. Charles Hotel.

April 2, National Fire Waste Council annual meeting, Washington, D. C., U. S. Chamber of Commerce building.

April 8-9—Nebraska Agents, Omaha, Fontenelle Hotel.

April 8-9, National Association of Insurance Commissioners, executive committee, Columbus, O., Deshler-Wallick Hotel.

April 14, North Carolina agents, Greensboro, O. Henry Hotel.

April 15, New Jersey agents (mid-year), Trenton, Stacy Trent Hotel.

April 20-21, Western Underwriters Association, annual meeting, Chicago, Edgewater Beach Hotel.

April 22-23, Insurance Accounting & Statistical Association, Chicago, Edgewater Beach Hotel.

April 27-29, U. S. Chamber of Commerce, annual meeting New York City, Waldorf-Astoria Hotel. Insurance Section April 28.

May 6, Alabama agents annual meeting, Birmingham, Tutweiler Hotel.

May 10, National Fire Protection Association, Chicago, Palmer House.

May 10-11, New York Agents, Syracuse, Hotel Syracuse.

May 14-15, Arkansas agents, Hot Springs, Arlington Hotel.

May 20-22—Mississippi Agents, Jackson.

May 25-26—American Management Association Insurance Conference, New York City, Hotel New Yorker.

May 27, National Board of Fire Underwriters, New York City, Waldorf-Astoria Hotel.

May 26-27, Bureau of Personal Accident & Health Underwriters, New York.

June 3-4, Health & Accident Underwriters Conference, Chicago, Edgewater Beach Hotel.

June 6-8, National Association of Insurance Commissioners, Boston, Statler Hotel.

June 10, Tennessee Agents, Nashville.

June 10-11, National Association of Accident & Health Underwriters, Pittsburgh, Roosevelt Hotel.

Corporation's contracts. The sureties now are wondering if they are getting enough premiums for the type of risk they are undertaking. The rate was substantially reduced a year or so ago, and the contract provisions were interpreted somewhat by the federal agency so as to delimit the chance of loss under such a contract.

The contract now provides that the warehouseman or contractor shall store the merchandise in accordance with approved commercial practices, and that they shall not be charged with failure or delay in returning in whole or in part the merchandise if the delay is without cause or negligence, in the case of fire, riot and civil commotion, strikes, sprinkler leakage, damage, acts of government, etc.

## OWI Tells of Double Cross of Insurance in Germany

The Office of War Information in a release the other day telling about the elimination by decree and compulsory "rationalization" of the small German business man by the Nazi regime and the economic dictators, referred among other things to the effect upon insurance.

"Banks have had to give up all but their indispensable branches," the OWI states, "and the insurance companies have had to restrict their business. Insurance agents and traveling salesmen will be transferred to war-important establishments."

Inasmuch as the OWI release states: "The Nazi swastika has become the symbol of a double cross for scores of thousands of German business men, retailers and middle class enterprises," and then goes on to give examples including that of insurance, the inference might be drawn that our government would regard restricting the insurance business and the transfer of insurance agents to war establishments as a dirty trick. At any rate in these days when everyone is searching for straws in the wind to indicate what the government has in store for the insurance business this OWI reference might conceivably be regarded as a straw.

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# POINTERS FOR LOCAL AGENTS

## Pertinent Reflections on Insurance in War Time

The position of insurance in war time and the character of the job faced by those in the business was ably presented the other day by a company man who has a far reaching grasp of insurance problems and knows how to express himself.

The primary thing to keep in mind, he said, is that now is a dangerous time for insurance men to let down. They are making a very serious mistake if they think they can rest on their oars and ride on the wave of past performance.

Insurance occupies a peculiar position in the war emergency. Many manufacturers have improved their products and processes over the years; along comes the war, both product and process go out the window, and the manufacturer must turn to the making of military supplies and equipment.

### Others Reduce Sales Staffs

Salesmen from all over the country are being called in by manufacturers and mercantile concerns. With increased consumption and decreased production they can sell their products direct; men in the field are unnecessary.

Certainly insurance is in a better situation than lawyers or doctors who cannot advertise. Insurance people can use every energy and means to get business and do a good job.

On the other hand agents have the same merchandise on their shelves that they have had in the past, and there is nothing obsolete about it. They don't have to take a reduction in inventory, or worry about priorities. All they need are policies, which any company can furnish in any quantity they desire.

It is the job of the company to help the agents distribute this merchandise properly, he said.

Now is a good time for the insurance business to build a strong foundation. Two things make this important. One is the changeover from war time economy to peace time ways of life. The other is that adults are becoming educated buyers. The number of adults taking formal educational courses in buying is astounding.

### Agent Must Do a Good Job

Under these circumstances it is absolutely essential that the agent properly sell and properly serve assured. If he does, he will be in a position to retain his business after the war emergency. If the company helps him, it will hold its position in his office.

One essential of proper service is the survey. It will be necessary to make further use of this method of measuring assured's insurance requirements, he said. Business secured through the survey plan is "earned business." Through the survey the company man or agent learns a great deal about assured, and this eliminates competitors, who cannot know so much by any other means of acquiring similar knowledge.

Often the agent gets the idea that assured will not let the agent see his policies because he doesn't want the agent to know how he passes around insurance to various agencies in the town. The solution to this problem is initiative in studying assured's business so that the agent can talk to him in an intelligent way about it.

A company man and field man once

entered an agent's office and asked him if there weren't some assured whose policies they could check over. The agent said emphatically that none of the assured in his town wanted to disclose the information revealed in the policies. The two company men then asked the agent to give them the name of the assured in his town whose policies he would most like to go over. Then they asked him to tell them everything he knew about that man's business. The agent talked for half an hour, discovering as he went along that he knew a good deal more about assured's business than he thought.

They then went to assured and began discussing his business with him. He was very much impressed with their grasp of his problems. They learned that much of assured's values were located outside of his establishment, and that his existing coverage did not protect him at all times and under all circumstances. Assured became so interested he voluntarily got out his policies for them to check over. Before they left they had the marine coverage. The entire program was changed around, and today the agent supervises all the

assured's insurance, even directing coverage to other agencies.

The agent in war time must know (1) needs and (2) coverage. The needs must be ferreted out. In doing this marine coverages are extremely useful. They can be made to fit the needs, whatever the business or however far from premises the goods may be taken.

The agent and company must be very careful not to be misled by a large automobile production now on their books. This business can go off as fast as it was put on, and evidence of this fact has been plentiful in every agency since the use of cars, rubber and gasoline has been curtailed.

Something must be done to make up this extensive loss in premium income in the automobile field, and fire, marine and general cover contracts are being reexamined for overlooked possibilities.

Many agents already realize that their income is going to be greatly reduced because of the loss of much of their automobile business and are laying out a program to get lines to which heretofore they have given little attention. The company is ready to assist that kind of an agent.

Company men waste too much time in listening to rumors about what other companies are doing, he said. These rumors usually sift down to nothing at all. It is far better to keep an eye on what is being done to help agents meet a situation which can be financially crippling to those agents.

## Convincing Way to Present Subject of Coinsurance Given by H. A. Broderick

By chart, illustration, argument and example the Rebyburn Agency at Peoria, Ill., has tried successfully and unsuccessfully to explain coinsurance to the public. H. A. Broderick, member of the agency firm, points out.

"Recently we used a new line of conversation with a man who has not known the correct application of coinsurance for the 20 years he has been buying coverage," Mr. Broderick reports.

"We made some estimated values for Mr. Jones. The building was put up in 1923. The replacement cost today was figured at \$40,000 and the depreciation at 30 percent which made a net sound insurable value of \$29,200, or roughly \$30,000. Jones had an 80 percent coinsurance clause on his policies and should carry \$24,000 coverage, but he only had \$18,000 in force." The following, in substance, is the conversation:

Jones: You say I should carry \$24,000 insurance now?

Agent: Yes.

Jones: When I built the building in 1923, the land and all only cost me \$17,000. I'm over-insured right now.

### Shows How Loss Would Work Out

Agent: All right, I'll accept your value and show you how a loss would work out on today's market.

Jones: Okay. Show me.

Agent: What is the building worth without the land?

Jones: \$16,000.

Agent: What did you pay for bricks in 1923?

Jones: \$15 per thousand.

Agent: Today they cost \$18 per thousand.

Jones: Okay.

Agent: What did you pay the brick masons?

Jones: \$1.50 per hour.

Agent: Today a brick mason gets \$1.75 per hour.

hour to make repairs and you pay the other 25 cents because the scale is \$1.75 per hour. We will pay the carpenters \$1.12½ per hour and you pay 32½ cents an hour because a carpenter gets \$1.50 today.

Jones: I'm leaning, just a little.

Agent: Of course, you understand we will take depreciation for the time the building has been in use.

Jones: I understand depreciation, all right.

Agent: Glad you do, but which would you rather do, insure your building at today's labor and material costs, or at 1923 costs and then put in your share of the bricks, lumber, labor, cement, steel, plumbing and other materials which have gone up in price during the past 19 years? If you do it the 1923 way, you are a coinsurer.

Jones: I'll take vanilla!

### Inspection Work at Louisville

LOUISVILLE—Field men and local agents to the number of 88 met with W. H. Day, Kentucky director of civilian defense, for a discussion of plans for aiding defense work. Mr. Day said that the facility security division needs volunteer inspectors.

Among those present were George H. Parker, Kentucky Actuarial Bureau, and Peyton B. Bethel, secretary Louisville Board. It was decided to hold an all day school in Louisville March 30, which will be addressed by Henry Dragan, chief inspector for the Army, fifth district, from Cincinnati.

William R. Hagan, of Hagan & Hagan, fire agents at Nashville, Tenn., is now a corporal at Lawson Field, Ft. Benning, Ga., and the business is in charge of his brother, Frank E. Hagan, a newspaperman, who founded the agency.

Roscoe C. deArmand, deArmand & Co. agency, Knoxville, Tenn., formerly a captain in the Army Reserve, has recently become a major, and is located at Camp Lee, Va. Mrs. Clyde W. Jones, office manager, is in charge of the business.

Felmer E. Hoeing, Louisville, state agent for the W. B. Respass general agency, Lexington, Ky., has resigned to become an engineer for the U. S. government.

### Credit Insurance

Question: We understand that American Credit Indemnity writes a policy guaranteeing the payment of accounts receivable. Please advise if you know of any other company writing this coverage in Ohio.

The only other company than American Credit Indemnity writing credit insurance is London Guarantee & Accident Co., with head office at 55 Fifth Avenue, New York.



## On Guard!

Official U. S. Navy Photograph

MARINE OFFICE OF AMERICA

OFFICES IN PRINCIPAL CITIES

WE ARE DOING OUR PART—AS ONE

OF AMERICA'S LEADING INSURERS OF SHIPS AND CARGOES



# THE EUROPEAN GENERAL REINSURANCE COMPANY, LTD.

OF LONDON, ENGLAND

## 32nd Annual Statement United States Branch December 31, 1942

### ASSETS

Government Bonds .....	\$15,984,257.61
Municipal Bonds .....	248,784.79
Railroad Bonds .....	1,618,972.06
Public Utility Bonds .....	1,453,029.90
Miscellaneous Bonds .....	102,930.00
Railroad Stocks .....	358,247.00
Public Utility Stocks .....	387,598.00
Miscellaneous Stocks .....	2,355,908.00
Convention Valuations	
Real Estate Owned .....	76,378.38
Mortgages .....	497,768.67

**\$23,083,874.41**

Cash in Banks and in Office ....	1,455,576.18
Interest Accrued .....	93,381.26
Premiums in Course of Collec- tion (not over 90 days) .....	2,062,586.12
All other Assets .....	65,719.68

**Total Admitted Assets . . . . . \$26,761,137.65**

### LIABILITIES

Reserve for Losses (other than Liability) .....	\$4,609,047.59
Reserve for Losses (Liability and Compensation) .....	4,882,140.67
Reserve for U n e a r n e d P r e - miums .....	5,865,910.52
Reserve for Commissions .....	1,597,004.09
Reserve for Taxes and Other Liabilities .....	1,025,853.34
Mortgage Investment Reserve.	50,000.00
Special Reserve .....	3,731,181.44

**\$21,761,137.65**

Deposit Capital ..	\$1,050,000.00
Surplus over Lia- bilities and De- posit Capital ...	3,950,000.00

**Surplus to Policyholders . . . . . 5,000,000.00**

**\$26,761,137.65**

On the basis of December 31, 1942, market quotations for all bonds and stocks owned, this Company's total admitted assets would be \$26,996,349.65.

Securities carried at \$1,181,361.72 in the above statement are deposited with State Departments as required by law.

## CASUALTY, FIDELITY AND SURETY REINSURANCE

THEODORE L. HAFF  
United States Manager

99 JOHN STREET

NEW YORK CITY

# SECURITY *for* POLICYHOLDERS *is* STRENGTH *for* VICTORY



THE FIGURES BELOW are straightforward evidence of the Unquestioned Financial Strength behind the policies of the Companies of the Commercial Union Group. The preservation of the economic resources of Individuals and Nation—the Strength for Victory—is the job of Insurance. We pledge ourselves to continue the maintenance of essential Security for our Policyholders.

The Commercial Union Group is one of the leading Capital Stock, Fire and Casualty Insurance organizations in the World, writing practically all kinds of Insurance and Bonds except Life. Its companies are represented by Agents and Brokers in every City, Town and Hamlet, from coast to coast.

## UNITED STATES RESOURCES AS OF DECEMBER 31, 1942

ORGANIZED		*TOTAL ADMITTED ASSETS	RESERVES FOR LIABILITIES	POLICY- HOLDERS' *SURPLUS	SECURITIES DEPOSITED AS REQUIRED BY LAW	MARKET VALUES * (see note below)	
						ADMITTED ASSETS	POLICY- HOLDERS' SURPLUS
1861	Commercial Union Assurance Company Ltd.† . . .	\$16,157,972	\$9,440,182	\$6,717,790	\$1,033,293	\$16,372,726	\$6,932,544
1871	The Ocean Accident & Guarantee Corporation Ltd.† . . .	20,099,752	13,754,062	6,345,690	917,055	20,564,764	6,810,702
1853	American Central Insurance Company . . . . .	7,433,481	3,109,901	4,323,580	411,875	7,721,343	4,611,443
1904	The British General Insurance Company Ltd.† . . .	1,353,223	536,641	816,582	637,489	1,425,088	888,447
1864	The California Insurance Company . . . . .	5,147,931	1,969,213	3,178,718	366,037	5,302,834	3,333,621
1920	Columbia Casualty Company . . . . .	9,997,854	5,930,414	4,067,440	697,530	10,227,072	4,296,658
1890	The Commercial Union Fire Insurance Co. of N. Y. . . .	3,019,205	1,248,884	1,770,321	282,435	3,115,825	1,866,941
1886	The Palatine Insurance Company Ltd.† . . . . .	3,220,775	1,346,798	1,873,977	636,303	3,366,510	2,019,713
1714	Union Assurance Society Limited† . . . . .	2,647,863	1,362,014	1,285,849	639,233	2,739,796	1,377,782

†U. S. Branch

\*If all Bonds and Stocks owned were valued on the basis of December 31, 1942, Market Values, the Total Admitted Assets and Policyholders' Surplus would correspond to the amounts shown in the columns at the right.

## COMMERCIAL UNION GROUP

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